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July 1996

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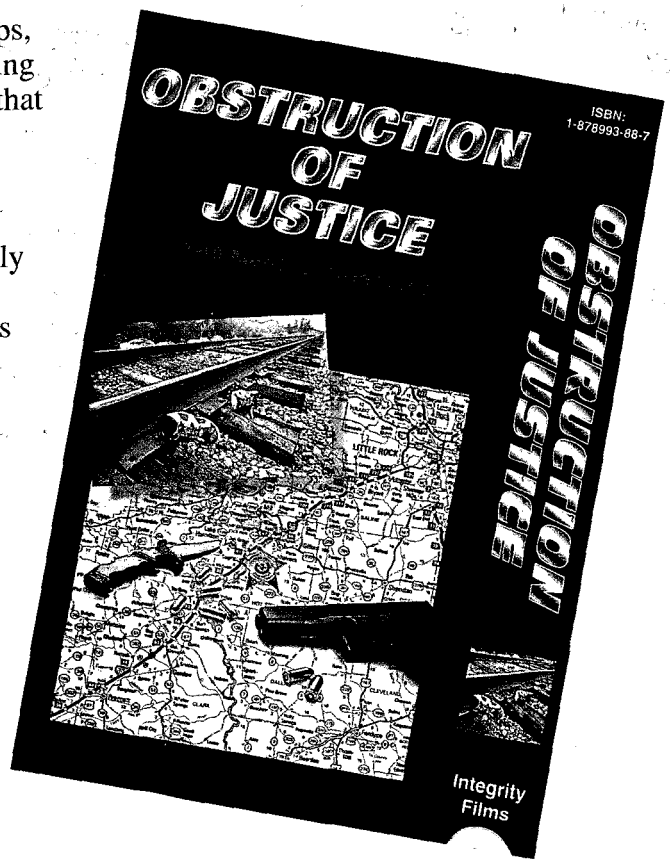

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Free Minds and Free Markets

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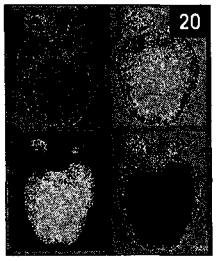

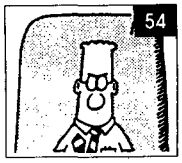

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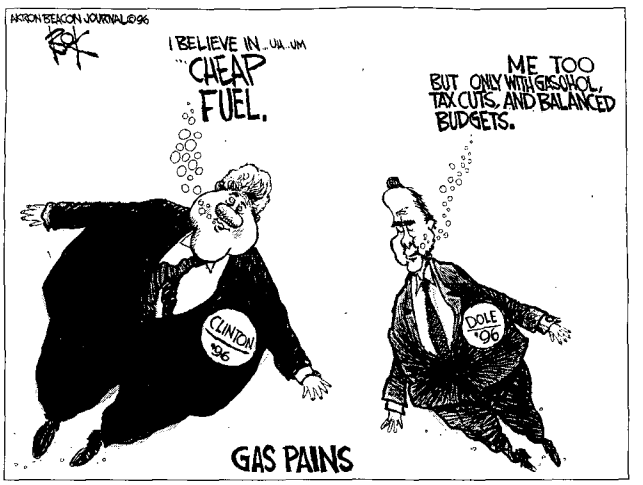
Gas Bags

By Virginia I. Postrel

Technocracy is running on fumes.



IN 1994 AND '95, PAPER prices skyrocketed. The cost of magazine paper rose by about 10 percent a month, hardly the sort of hike you can simply pass on to subscribers. Most publishers, including REASON, dealt with the increase by printing fewer pages and adding fewer new subscribers than they'd planned. Newspapers were even harder hit: Escalating newsprint prices drove many to lay off hundreds of employees, raise prices, and, in some cases, go out of business. It was not a happy time in the publishing industry.

Yet as far as I know, no one in the Clinton administration ever called a press conference to address the "paper crisis." Congress never held hearings on the subject. CNN never led the evening news with tales of how paper buyers were struggling. Newt Gingrich never posed for photos in front of giant rolls of newsprint. Bob Dole never denounced the president for his lack of "leadership" on the matter.

And that's as it should be. There was no crisis, nothing requiring an emergency response from government. By historical standards, paper wasn't even that expensive; its price was just higher than expected, and rising rapidly. Government policy had exacerbated things—in this case, through recycling mandates that led paper companies to invest in converting, rather than expanding, capacity—but the main cause of the price jump was plain old ordinary tight supply hit by expanding demand. The higher prices gave both consumers and producers important information about the state of the market. In response, buyers bought less. Sellers started to produce more. And prices eventually crept down.

That's how prices work. They convey information. They give people feedback about what's happening in the world. They produce responses. They go up and down. And while sellers may experiment with different levels, always seeking the most profitable ones, no one in particular gets to decide where prices will end up. They are out of control.

Recently, we've had a "gas crisis." From February through the end of April, retail gasoline prices jumped about 12 percent nationally, 21 percent in California. What's interesting about the latest "gas crisis" is how, despite a brief flurry of media attention and political pontificating, it looks a lot more like the "paper crisis" than like the real gas crises of the 1970s. There are no long lines at the pump or threats of "odd-even" rationing based on your license plate number. You can fill your tank on Sunday, and every station has gas—for a price. The government interventions that distorted energy markets in the 1970s, and put drivers through hell, have disappeared.

This crisis isn't a crisis. It's just a price increase, the sort of signal consumers adjust to every day. No hysteria is called for.

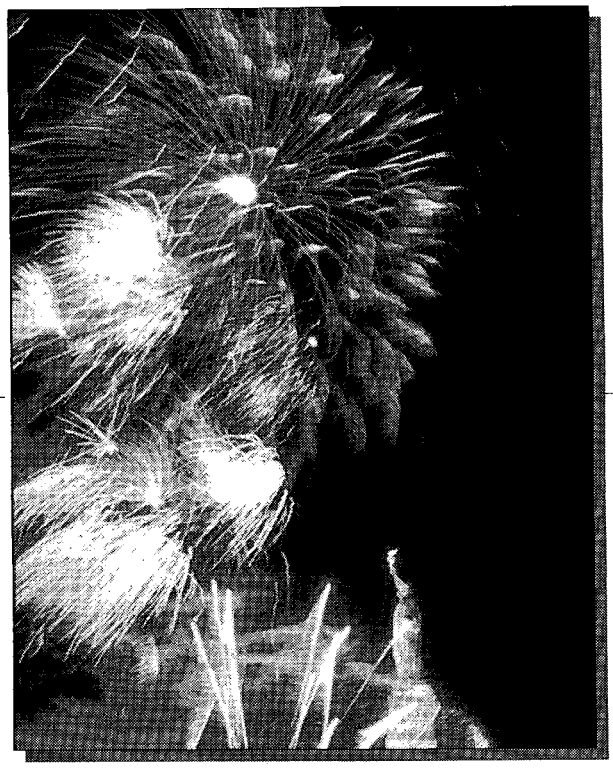
DESPITE THE HYPE, EVEN REporters (at least in the print media) didn't take long to catch on. *The Wall Street Journal* put together useful charts and graphs, showing nominal and real gas prices, the latter at their lowest level in my lifetime. The *Los Angeles Times* compared "unspectacular" oil-company returns on investment to those of other industries.

"Gas-crisis hysteria may just be a case of sniffing fumes" was the headline on a Mike Royko column in the *Chicago Tribune*. The author explained that he is paying less for gas today than when he started newspaper work in 1956. "When the nation's broadcast babblers, from whom the majority of Americans get their news, say we have a crisis, it's time for the political speech writers to crank out something," wrote Royko, "even if it is something stupid."

Indeed. But I wouldn't put all the blame on the broadcasters. When the price of an important product jumps suddenly, reporting the increase—and the reasons for it—is a legitimate story. What is *not* legitimate is the implication that the price increase must be someone's fault, and that Washington should be doing something about it. But our opportunistic would-be leaders are quick to encourage the illegitimate story. They cannot bear the idea that something important could happen over which they have no control. They want in on the action. And as surely as the Freemen in Montana, they go looking for conspiracies.

So Newt Gingrich orates in front of an Anaheim Shell sign advertising self-serve regular at $1.539 a gallon. Bob Dole sud-

CHIP BOK



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denly decides to hold hearings on the evils of the 1993 gas-tax increase and, ever-eager to deal, talks of trading a (permanent) hike in the minimum wage for a (temporary) cut in the gas tax. Bill Clinton says he's selling oil from the Strategic Petroleum Reserve to help drivers—when he would have done so anyway as part of a deal with Congress to fund his education programs—and orders an antitrust investigation of the rising prices.

"There is a frustration here that is unique to inside the Beltway. Washington cannot accept the fact that it cannot control markets," Washington energy lawyer William Demarest told the *Los Angeles Times*. "There has always got to be a conspiracy. There must be bad actors." Demarest was a senior aide to Rep. John Dingell (D-Mich.), who led numerous investigations of the oil industry in the '70s. He takes a dim view of conspiracy theories: "This is like looking for a needle in a haystack. The amount of money spent investigating the oil industry during the energy crisis of the 1970s was staggering. And to no avail."

WHAT'S INTERESTING ABOUT THE political response to the latest alleged crisis is how tired and calculated it was. Reporters who spent half an hour interviewing informed sources quickly discovered a host of reasons that higher prices weren't surprising, from just-in-time inventories to a cold winter to the increased popularity of gas-guzzling sport-utility vehicles. It also became clear that prices will eventually drop. Nobody believed that Clinton's oil sales would do anything but get him a blip of good publicity. The same was true for Dole's sudden anti-tax zeal. It was a story-of-the-week.

And that's good news.

Twenty years ago, energy crises set off calls for rationing, price controls, auto-mileage regulations, and every other central-planning mechanism ever invented. Today, even technocrats feel compelled to act like they believe in markets: Bill Clinton pretends to increase oil supplies and the Republicans talk tax cuts. That politicians say anything at all about something as apolitical as fluctuating prices may be aggravating, a sign that we still have far to go before "the era of big government is over." But something important has definitely changed. The technocratic promise of what historian John Jordan calls "kinetic change made stable" has been overthrown, its contradictions and perversities revealed.

Time and again, the Clinton administration has gotten itself in trouble by pushing technocracy: with its "economic stimulus" package, with the BTU tax, with ClintonCare. The more a policy requires faith in central planning, in bureaus and administrators and commissions, the more credible the attacks against it. Oil companies are as unpopular as ever, but that doesn't mean the public wants Washington to "do something" about gas prices, or believes the "something" would work.

"Good-government" types frequently rail against public cynicism and the skeptical reporting that feeds it. They pretend to support greater "objectivity" when in fact what they really miss is the drumbeat of technocratic ideology. They long for the good old days when Americans believed that well-intended technocrats could solve any problem, achieve any goal, fix any price—and when reporters reinforced that belief. Those days are finally over.

Award News

We're delighted to announce that REASON has recently been honored several times by the journalism community. For the second time in its history, the magazine was a finalist for a National Magazine Award, the most prestigious in the industry: Glenn Garvin's two 1995 features on immigration were among five finalists in the Public Interest category. In addition, Virginia Postrel was a finalist for commentary in the Gerald R. Loeb Awards, the most prestigious business journalism prizes. And REASON was named a finalist for both General Excellence (10,000 to 50,000 circulation) and cultural coverage in the Alternative Press Awards given by *The Utne Reader*. A full archive of 1995 issues is available on REASON's Web site (http://www.reasonmag.com/reason).

Just Do What?

By Jacob Sullum

The drug war's empty promises

THE PRESS COVERAGE OF PRESIDENT Clinton's "new national strategy to fight drug abuse" did not shed much light on the pros and cons of the administration's plan. But it did reveal something significant: Supporters of the war on drugs are starting to babble, and no one seems to care.

Neither the public nor the press expects to hear a convincing, or even coherent, justification of U.S. drug policy. Despite growing criticism in some circles, drug prohibition remains a given for the vast majority of Americans. It has, in some ways, been a model for government programs, continuing not despite, but because of, its failure. Congress keeps allocating money for the war on drugs because victory is always just around the corner. Drug warriors eagerly seize upon evidence that their approach still hasn't worked—increasing marijuana use among teenagers, rising emergency-room admissions of methamphetamine users—and are rewarded with escalating budgets.

In this context, it's not surprising that the reasoning of prominent prohibitionists is less than rigorous. *The New York Times* reports that Gen. Barry R. McCaffrey, director of the Office of National Drug Control Policy, "has been telling anyone who will listen that the drug problem can be solved if the country focuses on it." During an April visit to Miami, McCaffrey asked, "Why would people think this is any different than Desert Storm, polio, the Cold War, or building the interstate highway system?" For one thing, you could tell when those projects were completed: The Iraqis got out of Kuwait, polio was virtually eliminated, the Soviet Union collapsed, the roads were built. By contrast, since policy makers seem to have no clear idea of what "the drug problem" is, let alone what solving it would mean, the drug war goes on and on.

But wait. McCaffrey has another metaphor up his sleeve: "He compares the drug problem to a cancer that requires treatment, cautioning listeners not to expect victory for at least 10 years." An oncologist who told patients not to expect results for a decade or more probably would not inspire much confidence, but it's a convenient time frame for an administration that will be in office another four years at most. The definition of "victory" remains elusive, although the next day McCaffrey said he would like to see drug use return to a "pre-Vietnam-era level." Since Americans consumed vast quantities of amphetamines in the 1940s and '50s (a prescription was not even required until 1954), this goal seems to be at odds with the president's determination to stamp out the use of methamphetamine "before it becomes the crack of the '90s."

IN ANY CASE, MCCAFFREY EXPLAINED, getting there won't be easy. "There is no silver bullet in the drug issue," he said in Miami. "You can't just do law enforcement or prevention or treatment. You have to do all of it." Thus the Clinton administration, which initially emphasized treatment and prevention and was criticized for neglecting law enforcement, is now trying to split the difference. But the president's critics are not falling for this maneuver. According to Reuters, Rep. Ben Gilman (R-N.Y.), chairman of the House International Relations Committee, "called Clinton's strategy 'old wine in new bottles.' He said more emphasis should be put on interdicting drugs before they [get] to the United States and eradicating them at the source."

Now *there's* an idea that hasn't been tried. Studies by the RAND Corporation, the Congressional Research Service, the General Accounting Office, and the staff of the House Subcommittee on Crime and Criminal Justice have concluded that increased spending on interdiction and eradication is not likely to have a lasting effect on availability, because drugs can be produced in myriad places and transported by myriad routes. Furthermore, since imported drugs acquire most of their value after arriving in the United States, interdiction is not a very effective way to raise prices even over the short term.

For his part, Sen. Orrin Hatch (R-Utah), like a 5-year-old with a favorite riddle, can't stop repeating his penetrating critique of Clinton's approach to drug policy, first offered last year: "President Clinton has been AWOL—absent without leadership—in this war against drugs." As Hatch explained on *Meet the Press*, "We know that one of the most important things that public leaders can do is speak out against the use of drugs." So the Republican recipe seems to be more interdiction, more eradication, and...more talk.

Neither the Democrats nor the Republicans offer evidence that tinkering with drug policy will have a noticeable impact on anything other than agency budgets. And there are hints that even the most gung-ho drug warriors recognize that, in the end, the government cannot accomplish much in this area. "It's a matter of parents and teachers," McCaffrey said in Miami. "And where parents make a difference, their children are free from drugs." *New York Times* columnist Abe Rosenthal, second to none in his enthusiasm for the drug war, concedes that drug abuse stems from problems that "no president can cure....The responsibility has to be taken by parents, schools, churches, business, press—and by the addict."

Nevertheless, Rosenthal manages to conclude that "there are many things that the people of the United States need, but none more important than presidential leadership in the war on drugs. Do it, do it." Do what? The fact that neither Rosenthal nor anyone else at the *Times* saw fit to address that question suggests how empty the mainstream drug policy debate has become after 82 years of failure. ®

Alt.Debate

David G. Post's article "New World War" (April) about the Church of Scientology's actions to protect its copyrights on the Internet could have taken a far broader view of Internet piracy. As discussed in a recent article in *The New York Times*, publishers throughout the United States are deeply concerned about copyright violation on the Internet. Simon & Schuster, the largest U.S. publisher, has even hired a computer team to prowl the Internet to locate purloined books.

Mr. Post seems to believe that no effective solution to Internet piracy exists. Copyright law has proven flexible over the centuries and has already survived numerous technological challenges, including the invention of radio, television, and the phonograph. It will conquer the challenge posed by the Internet as well, but only if we correctly identify where the threat is coming from. It is there that Mr. Post has erred.

This is not a battle between "the inhabitants of cyberspace" and the real world, as he seems to think. It is an assault on the Internet by criminal elements who are using the Net for their own purposes. At stake is not only copyright protection, but the survival of the Internet itself.

The majority of Internet users do not steal other people's property off the Net. But on or off the Internet, where the opportunity for crime exists, criminals will take it and sometimes drag innocent bystanders along with them. The solution does not lie in government regulation but in vigorous application of existing laws and in self-regulation by Internet users.

The Church of Scientology has taken the lead in protecting copyrights on the Internet, and so we have earned the ire and abuse of the criminals who are trying to turn the Net into a haven for the lawless. But our actions have gained us a tremendous amount of support from those who really believe in the Internet as a marvelous educational and communications tool.

And, after winning important court victories strengthening copyright protection on the Net, we are moving on to what we really want to do—make full use of the Internet to tell people what Scientology is and to help the Internet develop. In pursuit of that commitment, the church has now launched its own official sites—among the largest and most technically advanced on the World Wide Web.

The volume of hits on our new sites—more than 200,000 in the first couple of days—shows that there is a tremendous demand on the Internet for accurate information about Scientology, which these sites supply. It is through such contributions that the Internet will grow.

Leisa Goodman
Media Relations Director
Church of Scientology International
Los Angeles, CA

David G. Post's article provides an important commentary about the development of Usenet newsgroups as a society. However, because the article focuses exclusively on a group in the anarchistic "alt" hierarchy, it represents Usenet as being less controllable than, in fact, it is.

Far from it being impossible to destroy or control a newsgroup, the mainstream Usenet hierarchies have a formal procedure of proposal, discussion, modification, voting, and announcement which is continuously taking place in newsgroups. Even though a democratic consensus in alt.config is not binding like a semi-official, monitored newsgroup's vote, it would usually be respected. The four conclusions of the article similarly need to be qualified.

Most Usenet participants do not want "a community in which the laws...are ignored." Anonymity is no longer considered respectable in most forums; some groups prohibit all anonymous messages from appearing at all. The control of information is considered necessary for the simple reason that any group which receives hundreds of messages in a day, much less 1,700, becomes impossible to read. Democratically approved moderators and group charters are usually the preferred methods.

You have done a good job of naming several problems which the Usenet community faces as it matures. An essay on the solutions which are being found might make a useful companion piece.

Loren Davis
davislb@whitman.edu

Having been a Scientologist for over 25 years, and a subscriber to REASON for around five years, I found your article on the church's war on alt.religion.scientology interesting. David Post rightly focuses on the legal issues and challenges of cyberspace, and hits the nail on the head when he states that the Net is an electronic free-for-all, an anarchy that "will require the development of a degree of mutual recognition and respect on both sides of the border between the world of atoms and the world of bits."

I was once a participant in alt.religion.scientology. I quit participating in the "news" group due to the bigotry of the anti-Scientologists there. For all their talk of the church suppressing freedom of speech, I found that each attempt to create a rational, civilized discussion about the pros and cons of the church was drowned in a sea of scathing vitriol and threats. One

Communicate with REASON

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Liberal *Educrats* Make Dumb Americans

How the education establishment is Dumbing Down Our Kids

We've come to expect searing exposés from the Conservative Book Club, and their new offering by the provocative, best-selling education author Charles J. Sykes. Dumbing Down Our Kids is no exception. In this scathing indictment of American education, Sykes — the author of three other hot titles: ProfScam, The Hollow Men, and A Nation of Victims — offers some more bad news. Our schools are even worse than we know. Standards have been thrown out as "elitist" and instead, our schools focus on "self-esteem" and politically correct indoctrination — starting in kindergarten!

Dumbing Down Our Kids by Charles J. Sykes, (St. Martin's Press., 341 pages, $23.95)

Sykes contends that the liberals have created a public school system where learning is no longer as important to students as feeling good about themselves. The result? Our kids have the highest self-esteem and the lowest test scores in the industrialized world. Our failing schools are the number one threat to America's future. Today, our schools are churning out pompous pinheads who can't compete against students in the Third World, let alone Europe and Japan.

Consider The Problem

- Kids who ask for more demanding classes and higher standards are suspended for setting a bad example! Sykes has the facts.
- "Dumbing down" hurts all our kids, but the hardest hit are the smartest kids. *Average* students in other countries now score as well as our *best* students. In mathematics, our best students score the same as Asia's worst students!
- Less than half of an American school day is now spent on academics — the lowest percentage in the industrialized world.
- AIDS awareness, "consumer training," and "getting a child in touch with his or her feelings" have become more important than reading, writing, and arithmetic.

Where are we headed? According to Sykes, to a society where moral and historical ignorance abound, and where scholastic overachievement is the exception rather than the rule.

What Should We Do?

Lack of money is not the cause of bad test scores. Around the world — and in our own parochial schools — it's high academic and moral standards that challenge students to succeed.

The sad fact is that our schools have never been so well-funded yet so inept at teaching real knowledge. As Sykes says, we must "junk all this feel good nonsense" and get back to real learning. Sykes finds the schools that do work — schools with forceful administrators, high expectations from faculty members, and involved parents — and he proposes that we use those schools as models. It's time for liberals to get out of the way and let conservatives enact the common sense reforms we need. The liberals have harmed our kids long enough.

Truthful And Hard-hitting

When reading any selection from the Conservative Book Club, you can always count on well-researched, timely books written to offer solutions to America's problems. Dumbing Down Our Kids is offered in that fine tradition. It is truthful, hard-hitting, and funny, if you can laugh through the tears. It's not afraid to ruffle liberal feathers and it entertains while it educates.

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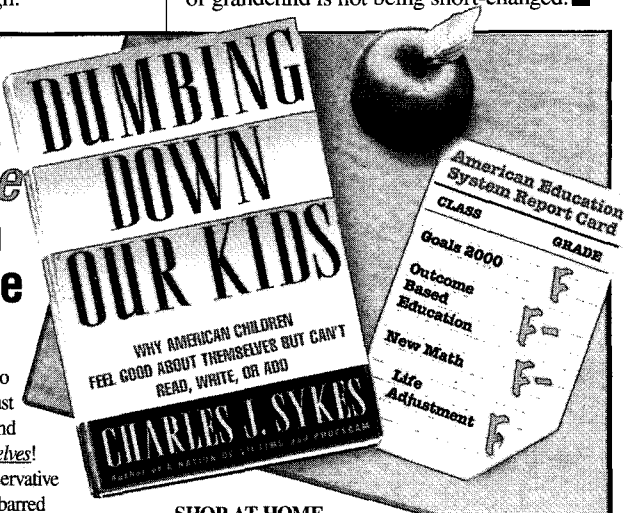

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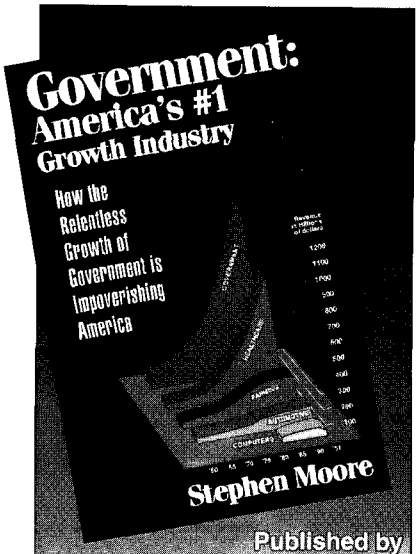

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participant stated that he'd shoot on sight any member of the church who appeared at his door.

Because of the name of my religion in the newsgroup's name, alt.religion.scientology is essentially the equivalent of a neo-Nazi outpost with a banner over the door that reads "NAACP Meeting Hall." Unsuspecting Scientologists who are unaware of what goes on there post a note that says "Hi guys, what's up?" and get replies ranging from "Hello, you ignorant dupe" to downloads of bastardized confidential (and copyrighted, even if altered) material. Our tenets and beliefs are openly ridiculed (not "discussed in an open forum"), Scientologists are called "culties" and worse, and of course, we never speak for ourselves, but are really mouthpieces and puppets of Evil Leaders of the Evil Church. Alt.religion.scientology is, in short, a bigoted cesspool.

The problem with the law is that our Advanced Technology, which makes up less than 1 percent of Scientology's materials, is not something that we want published and there really is no law that supports absolute ownership of text data. This goes beyond cyberspace law and into copyright law itself. We, as Scientologists, do not want this data disseminated beyond our doors. Any and all copies that are on the Internet are copied from physical papers that have been stolen from the church, since the church does not allow copies to leave its premises. We have our own reasons for this, but it is surely not to prevent a reasoned discussion of Scientology and the anti-Scientologists know this.

I often wonder what would happen if someone created a group called "alt.religion.judaism" effectively run by rabid anti-Semites? How long before the outcry would become deafening—to the point where Congress would overreact and pass the "Internet Big Brother Omnibus Bill of 1996" banning all discussion of religion or race on the net? It is up to us netizens to quickly develop a code of ethics that allows meaningful and free discussion while still respecting the rights of others and what others consider sacred. The anarchy of alt.religion.scientology (and other alt.* groups, for that matter) cannot continue, even in cyberspace, so we better define it now, on our own terms, rather than wait for the inevitable Big Black Boot to crush it.

Mark Patterson
Santa Clara, CA

David Post replies: I did not mean to suggest, as Leisa Goodman would have it, that "no effective solution to Internet piracy exists." I did indeed try to illustrate some of the difficulties faced by anyone trying to control the dissemination of information, "pirated" or otherwise, on the Net. But I also noted that while "cyberspace may indeed be *difficult* for territorially based authorities to control...we court danger, and put this remarkable experiment in political life at risk, if we assume that it is *impossible* to control from within the non-virtual world," and I suggested that "the inhabitants of cyberspace, too, must develop mechanisms to recognize and respect the legitimate interests of individuals outside their borders"—sentiments that I suspect Ms. Goodman shares. And I am pleased that the Church of Scientology recognizes the significant role that "self-regulation by Internet users" will play in solving the Net's problems, and also that the church is moving to "make full use of the Internet to tell people what Scientology is." The Net will be a richer marketplace of ideas when users have access to all sides of controversial questions.

As to Loren Davis's points concerning the Usenet newsgroups, I fully concur in the notion that the "alt" Usenet hierarchy is somewhat unusual, and that many, and perhaps most, of the moderated Usenet newsgroups outside this hierarchy are developing rules—including "[d]emocratically approved moderators and group charters"—under which each individual Usenet community will operate. This is precisely what I had in mind when I wrote that the Net provides ample opportunities for new forms of community self-governance, through which "[t]he consent of the governed can move from being a theoreti-

cal construct to a real principle of governance. No longer will we need to theorize about the content of the laws that people would choose if they were free to do so; the Net will reveal those preferences for us by means of the invisible hand of a worldwide open market for laws, with communities competing for adherence." The flip side of which is illustrated by Mark Patterson's charge that alt.religion.scientology is a "bigoted cesspool." Obviously, Mr. Patterson is unhappy with the operation of this particular community. But the wonderful thing about cyberspace, as I noted in my article, is that there is "an infinite amount of space, and movement between on-line communities is entirely frictionless....Those who find the rules oppressive or unfair may simply leave and join another community (or start their own." I suspect this is precisely what Mr. Patterson has done.

Disrespecting Elder

There is good reason why Larry Elder is dubbed "the most racist, anti-Black talk show host in Southern California," as you quote someone saying in the introduction to your interview with Mr. Elder ("Elder Statesman," April). While crime, teen pregnancy, drug abuse, and other ills are on the increase outside the black community, Larry Elder presents these ills as black problems rather than American problems. He lets the majority population off the hook on these and other issues as well. Consider redlining. If there are "economic reasons for that," Elder neglects to comment on why the practice doesn't extend to suburban areas where business failures and home foreclosures have been epidemic in recent years.

In another arena, he rarely, if ever, criticizes preferential programs like legacies, which account for more college admissions than affirmative action. While Mr. Elder rails against UCLA admitting people based on race and sex, the *Los Angeles Times* prints a scathing expose of how the rich and well-connected gain admission to the UC system ahead of better qualified applicants. Among those asking

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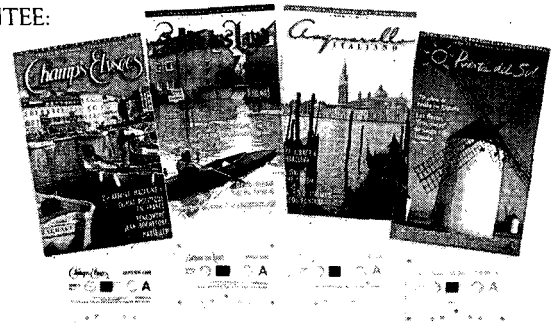

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for such admissions are the very regents who voted to discontinue race-based considerations.

Larry Elder's rantings about preferential treatment don't include the movie industry, either. Black underrepresentation in Hollywood was the focus of attention as this town's major industry—where nepotism and other closed-door policies are rampant—celebrated the Academy Awards. Were the entertainment business simply driven by market forces, the red carpet would be rolled out for black filmmakers, a group that consistently delivers very cost-effective and profitable product.

Would the *Larry Elder Show* be as successful if race were not central to its format? Elder's detractors believe he has advanced ratings and career by exploiting blacks.

Ayana Green
Los Angeles, CA

You Don't Need a Village

I enjoyed the review of Hillary Clinton's *It Takes a Village* by Gwen J. Broude ("It Takes a Bureaucracy," April). I am employed by my state government to investigate child sexual abuse cases. In that role I see severely traumatized children; yet even these children are rarely shattered by the events they have experienced. As Ms. Broude pointed out, children are generally not that delicate.

If given proper care and nurturing, they generally move on with their lives, and family resources are usually available to help those children through the tough times. If the immediate family cannot address the problem, the extended family or family friends probably can. A government agency probably cannot. There are far too many children in the custody of the state. A government agency, even one with foster parents, is a poor substitute for a long-term nurturing family. Mrs. Clinton's "village" (the government) is not a village at all, as Ms. Broude pointed out in her review. The best thing the government can do in most traumatic situations is to help find the right family member or friend to address the problem and get out of the way.

Dale Wallace
State of Tennessee
Child Protective Services
CEDD96A@prodigy.com

Private Social Statism?

Rick Henderson's article "Retirement Plans" (March) perpetuates myths about Social Security reform. According to rhetoric, several plans now exist on the Hill and among libertarian think tanks which would "privatize" Social Security. This is false. Even the plans promoted by the Cato Institute call for replacing the current Social Insecurity scam with another statist plan under which savings levels would be mandated by the government and savings programs would be regulated by the government.

We're stuck with the commitments the government has made to the elderly and those nearing retirement. What we can do now is stop the cycle of wealth transfer from working people to retired people, and return to a system in which people prepare for retirement by investing in industry. But we ought to allow working people to invest or consume their wealth as they believe best, not as government wishes.

There seems to be a tacit belief that transforming the Social Security system into a mandatory savings system would somehow mystically alleviate the financial burdens of paying off current and upcoming Social Security beneficiaries. But if we are to end Social Insecurity, somebody's got to eat the current burden. It is a separate issue how workers will save after Social Security.

Ari Armstrong
Arvada, CO

Rick Henderson replies: I state in the article: "None of the reform plans under consideration would make Social Security voluntary and let individuals withdraw from the system by renouncing any benefits they might receive. Instead the proposals are all variations on forced savings plans." Granted, I used the term *privati-*

zation to describe these coercive schemes, but my task wasn't to concoct my ideal retirement system. It was to report on the changing political scene and examine what Congress might enact in the next few years. I would hope Mr. Armstrong would acknowledge that adopting the British- or Chilean-style proposals, while coercive, would establish a property right in "Social Security" and could prevent the huge tax increases the current system must impose to keep up with demographic demands. These alternatives may not be perfect, but they're a big improvement over what's there now.

Campaign Finance

I appreciated Brian Doherty's insightful piece on the $808,000 campaign finance disclosure fine levied against Steve Cicero and myself ("Disclosure Flaw," March). We need help to fight this unjust fine and the unconstitutional regulations behind it. We now have a defense fund and donations to it are tax deductible.

Contributions can be made to the Institute for Constitutional Rights; write "CAC Defense Fund" in the check memo. The mailing address is: ICR, c/o Citizens Against Corruption, 1601 N. Sepulveda Blvd. #229, Manhattan Beach, CA 90266.

Russ Howard
Citizens Against Corruption
Manhattan Beach, CA

CORRECTIONS

In Nick Gillespie's "Mail Fraud" (June), the level of postal-service privatization was misstated. Sweden has privatized its post office; England, Canada, Australia, and New Zealand have either privatized, or are considering privatizing, parts of their postal services.

In Rick Henderson's editorial "Code Blue" (May), the sentence for indecency under the Communications Decency Act was misstated. The act sets $250,000 fines and prison terms for up to two years.

In Jacob Sullum's "Smoke Alarm" (May), Harry J. Anslinger's term as head of the Federal Bureau of Narcotics was misstated. He served from 1930 until 1962.

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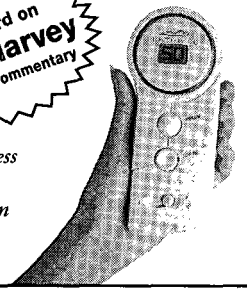

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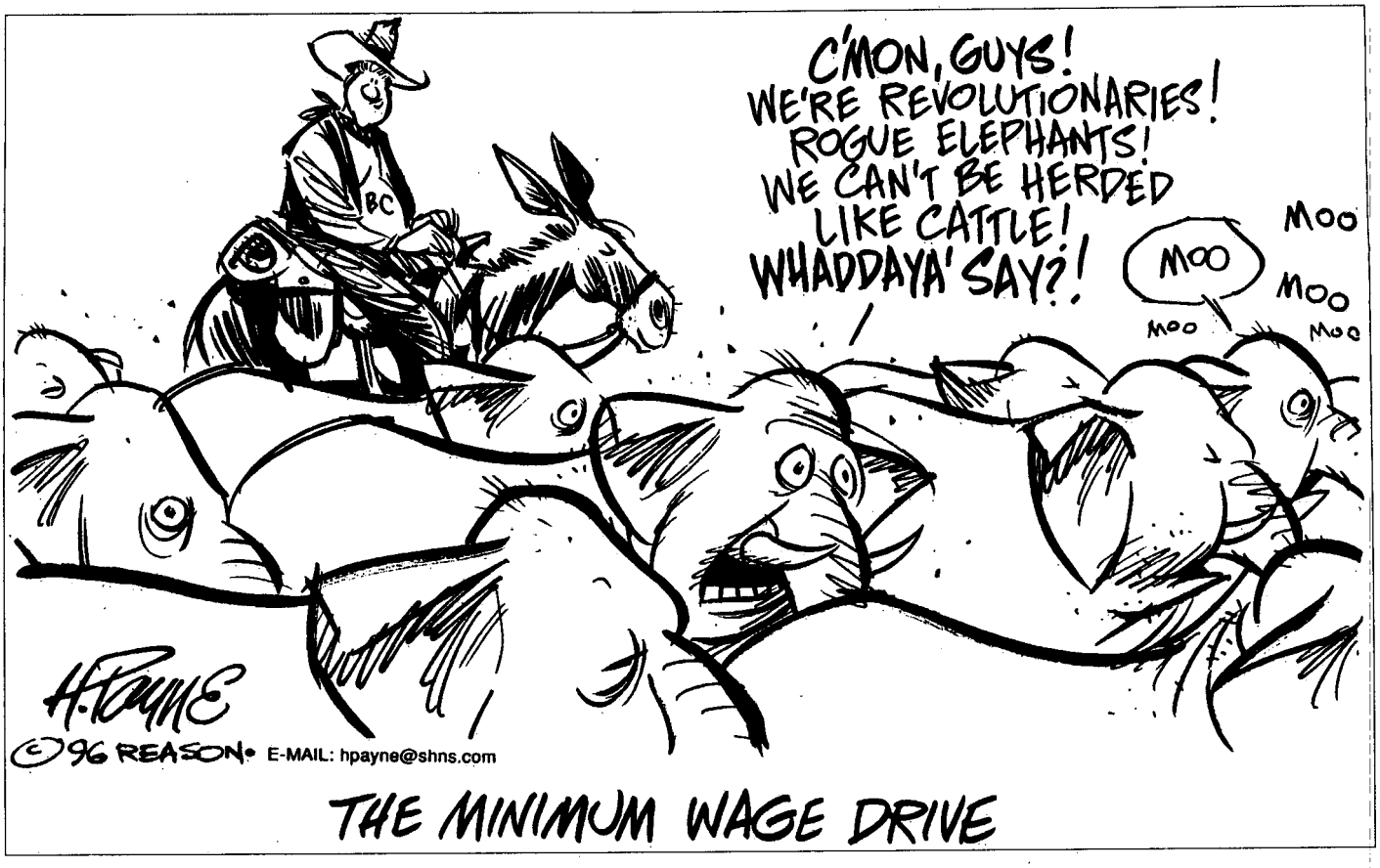

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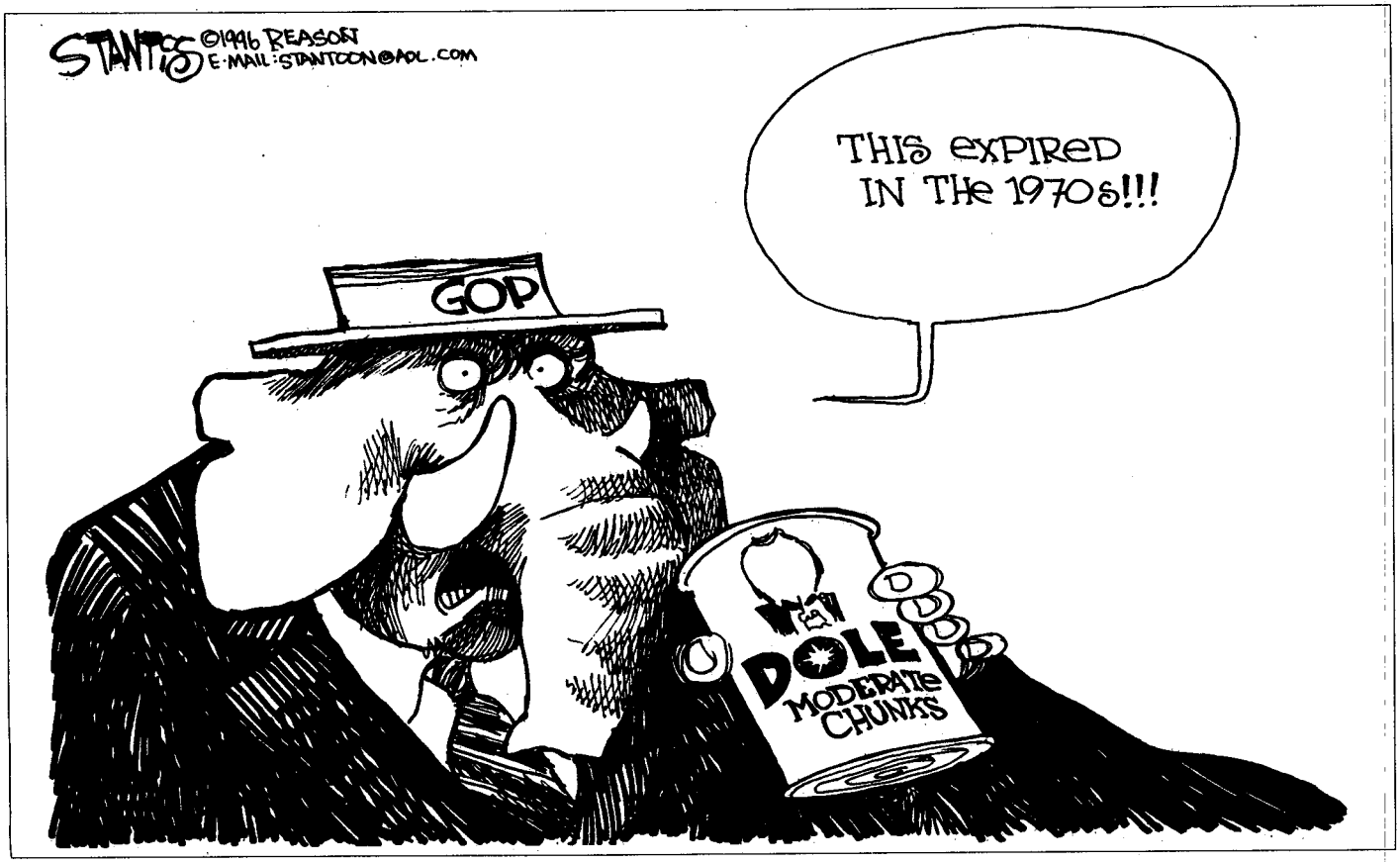

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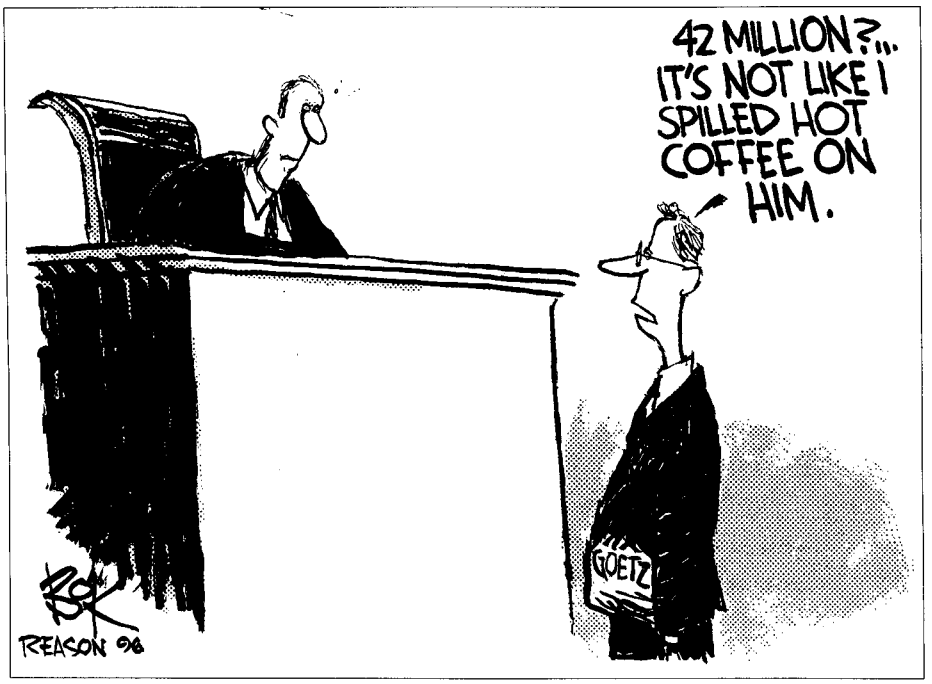


Norwegian tax officials have presented Halvard Stensrud with a bill for 6,825 kroners, or about $1,000. Stensrud is a carpenter, and the bill was assessed for "professional services" he rendered—to himself. The tax office decided that work he did on his own house was covered by the law and assessed him based upon the market value of his work.

In Plymouth, Massachusetts, Anthony Varrasso was called for jury duty. No big deal—except that Anthony is just 3 years old. His mother tried to tell officials that Anthony was a bit young to be deciding cases, but they insisted that he was 18. After all, that's what it said on a census form. His mother finally got things straightened out, but not without taking him to see court officials in person. In the past, Plymouth has called dead people, pets, and even a building for jury duty because of incorrect census information.

A new survey of Russians has found good news and bad news. The good: Hatred of Jews has dropped in recent years. The bad: That's only because Russians are too busy hating others. Among the ethnic groups Russians now dislike more than Jews: Chechens, Azerbaijanis, Armenians, and the always unpopular Gypsies.

Speaking of surveys, one closer to home brings interesting results. It seems that Christian teens are more likely to watch MTV than their non-Christian counterparts.

In Livermore, California, the city has ordered a mother to stop selling hand-painted T-shirts from her home. The city says she isn't zoned for commerce. The woman is selling the shirts to raise money to pay her 16-month-old daughter's medical bills. The girl was born with life-threatening intestinal disorders.

And in Monterrey, Mexico, the city has denied permission to build what would have been the country's largest Mormon temple. Local Catholics had complained that their children might be "contaminated" by Mormonism.

Wade Miller of Santa Fe, New Mexico, called the office for the 1996 Olympics in Atlanta to get tickets for the volleyball event. When Miller gave his address as New Mexico, the agent told him that they couldn't sell tickets outside the United States. Miller explained to the agent that New Mexico is part of the United States. Then he tried to explain this to her supervisor. The supervisor told him he'd have to try the Mexican Olympic Committee, or maybe the Puerto Rican committee—whichever his home country was.

Miller isn't the only New Mexico resi- dent with problems. The state recently discovered that 4,000 drivers are sharing 2,000 license numbers. The snafu has caused many innocent people to get tickets recorded and points charged against them because someone sharing their number has broken the law. And it has cost at least one professional driver several jobs because when employers checked his license they got information on another driver who isn't commercially qualified.

The supreme court of Pakistan has ruled that male doctors may not perform autopsies on female corpses, saying it shows disrespect for the dead. In a perhaps telling choice of words, the court wrote, "The dead body is laid on a table in a naked condition where male members of the medical staff have free ingress."

In 1994, police officer Mark Byers was a hero; we aren't sure what he is today. In '94 Byers rescued Jane Liberatore from her shotgun-wielding estranged husband Anthony, who had already shot to death her boyfriend. Now, Byers claims that injuries he sustained smashing through Liberatore's glass door have left him permanently disabled. So he's suing her. He says she's responsible for his injuries because she knew her husband was on his way to her house with a gun, but she didn't call police until he got there. Besides, she was also allegedly unfaithful.

You may have heard of some of these software programs designed to keep kids from accessing sexually explicit parts of the Internet. They have a list of forbidden words, and if those words pop up on a Web site, access is shut down. Well, it seem one of these programs works a little too well. Users recently had trouble getting to the White House's Web site. The word that set off the alarm: *couples*.

—*Charles Oliver*

CHIP BOK

Contract Revisions

Cities ponder "living wage" requirements for government contractors.

By Ed Carson

WHILE NEARLY EVERYONE FOcused like a laser on the "Republican revolution" in Washington, D.C., a revolution was beginning up the road in Baltimore and going in a very different direction. Scarcely a month after the 1994 elections, Baltimore Mayor Kurt Schmoke signed into law a "living wage" bill that gradually raises the pay of private employees working on city contracts to at least $7.70 an hour in 1998. (It rises to $6.60 this July.) A coalition of community organizations, religious groups, and unions led the effort. Now similar coalitions in more than 20 cities, including New York, Los Angeles, and Chicago, are looking to do the same.

Supporters insist that such laws won't cost cities much overall. Baltimore estimates an additional tab of $3.5 million per year—less than 1 percent of the city's annual budget—after the final wage increase in 1998. Supporters also argue that the higher wages will be offset by drops in city welfare spending that currently goes to low-wage workers.

For unions, the idea is a win-win proposition. If private firms can eat the additional costs through increased efficiency or lower profits, then cities lose nothing, encouraging others to enact similar measures. Conversely, if contractors try to pass on the costs, cities will have less incentive to privatize, preserving public employee jobs. And, in either case, if contractors have to pay their workers at or near union wages, they'll be less opposed to unions.

E. S. Savas, professor at City University of New York and privatization consultant to New York City, says the living wage proposals could seriously affect privatization efforts: "It is clearly a transparent device to drive up the cost of community services and make privatization much less attractive."

The New York City Council is considering a compromise proposal that applies only to contracts for security, food service, cleaning, and temp work—which just happen to be areas where the city has been contracting out a number of services. Nonprofits would be exempt.

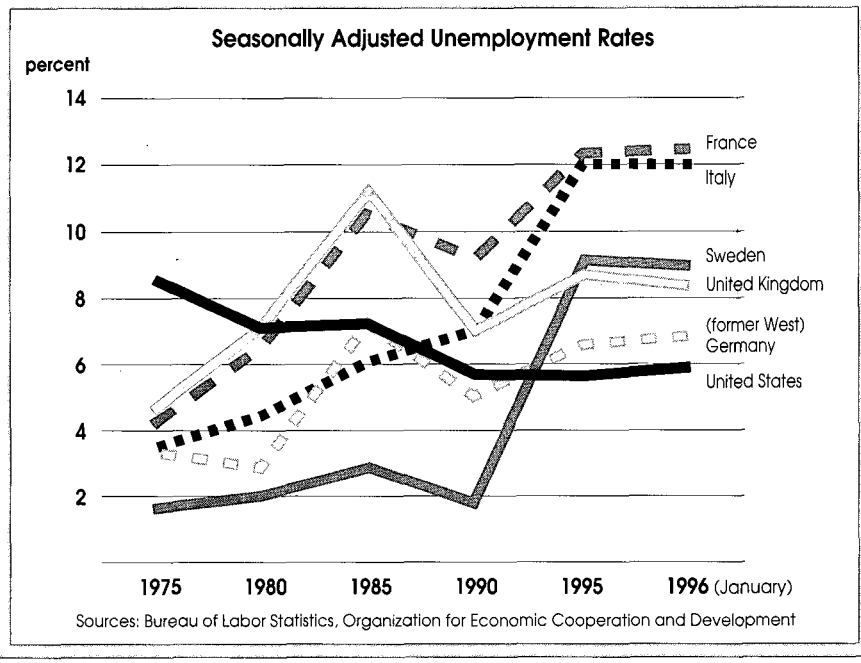
"In many ways this is a sop to the unions," says Richard Schwartz, senior adviser to New York Mayor Rudolph Giuliani. Giuliani's opinion may not matter, however. City Councilwoman Kathryn Freed, the bill's sponsor, says she expects it to obtain a veto-proof majority. R

Job Search

The sick man is Europe.

By Nick Gillespie

These days, you don't hear many people talking up the European welfare state as a model for the United States. One major reason for the silence is Europe's 11 percent unemployment rate—about double the U.S. level. Another is Europe's anemic job creation: Over the past three years, the continent has created zero net new jobs while the United States has seen an increase of 8.4 million. A 1994 international study on employment done by McKinsey Global Institute, a Washington, D.C.–based research arm of the consulting firm, found that governmental "actions to control and manage the evolution of...economies are the most important factors explaining differences in employment performance. Most of these government actions...hurt either productivity or employment or both."



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Balance Sheet

By Rick Henderson

Assets

Faith Healing. The Connecticut Supreme Court says patients can't be forced against their will or their religious beliefs to accept life-saving treatments. Jehovah's Witness Nelly Vega entered Stamford Hospital to give birth. When she started bleeding profusely, doctors gave her a blood transfusion even though she and her husband had signed a release form refusing any transfusion on religious grounds. The Supreme Court ruling cites Vega's "common law right of bodily self-determination."

Unplugged. California's Air Resources Board scraps a plan that would require 2 percent of all new cars sold in 1998 to be "zero-emission" (that is, electric) vehicles. Auto makers must instead develop new electric prototypes and research better battery technologies. One time bomb remains: The ARB still wants 10 percent of all cars sold in 2003 to be electric.

Rule Braking. An obscure provision in the budget package signed by the president may offer some regulatory relief. When an agency issues a new rule, it must now wait 60 days before enforcing it. During the waiting period, individuals, businesses, and governments can ask Congress to overturn the regulation rather than having to sue the agency after the rule takes effect.

Busted! Laughter, the best medicine? The Equal Employment Opportunity Commission drops its four-year investigation (and proposed $22 million fine) against Hooters. The restaurant chain's $1 million ad campaign ridiculing the EEOC's demand to hire "Hooters' Guys" causes the feds to quietly disappear.

Liabilities

Market Failures. Three heroes of the "rightsizing government" movement embrace tax-financed sports facilities. Indianapolis Mayor Stephen Goldsmith backs public funding for a new Market Square Arena. New York Mayor Rudolph Giuliani scrambles to give George Steinbrenner land and money for the Yankees. And Massachusetts Gov. William Weld backs higher tourist taxes to pay for a new home for the Patriots. Only Virginia Gov. George Allen stands firm, demanding that any outside money for a Northern Virginia baseball stadium come from ticket taxes or other fan-generated user fees.

Card Game. Get ready for your retina scan. The Senate retains provisions in the immigration bill that would establish "pilot" employment verifications systems (a.k.a. worker registries) and force states to make birth certificates and drivers' licenses tamper-proof. (See "Bringing the Border War Home," Oct.) Since the House bill would also establish a "voluntary" verification program, some type of national employment data base appears inevitable.

Free Net. The Federal Communications Commission has collected $20 billion from auctioning part of the broadcast spectrum for commercial wireless licenses. Now the FCC wants to once again give the spectrum away. The agency wants to set aside frequencies so that schools, libraries, and hospitals can get on the Internet without paying the phone company. Direct subsidies for phone service would probably be cheaper and could prevent future spectrum giveaways to, say, homeless shelters, charitable foundations, or political advocacy groups.

ClintonCare Jr. The House-passed version of the Kennedy-Kassebaum health care bill includes civil *and criminal* sanctions much like those in the president's Health Security Act. The American Association of Physicians and Surgeons points out that the House bill sets $10,000 fines for offering any medical procedure or service "that a person knows or should know is not medically necessary." Anyone convicted of committing a "federal health care offense" also faces asset forfeiture.

User-Friendly Skies

The latest on airline deregulation

By Nick Gillespie

A NEW STUDY FROM THE GENERAL Accounting Office demonstrates that the Airline Deregulation Act of 1978 has, in the main, brought prices down to earth while giving consumers more and safer flying options. The report, which looked at data from 112 airports, supports the conclusion that by virtually every measure, deregulation has been a huge success.

Sifting through records from the past 25 years, the GAO found that the average inflation-adjusted fare per passenger mile was about 9 percent lower at small-community airports, 11 percent lower at medium-sized facilities, and 8 percent lower at large-community ones. The largest savings were found in the West and Southwest, reflecting those regions' greater competition; some airports, especially smaller ones in the Southeast and Appalachian regions, experienced increases in fares.

Overall safety and service have improved dramatically as well. "The long-term decline in the rate of accidents has continued since deregulation," says the GAO. And while some small and mid-size airports in the upper Midwest have seen a decline in the number of scheduled departures, the overall trends are staggeringly positive: For airports serving small communities, departures rose by 50 percent; for medium-sized communities, 57 percent; and for large ones, 68 percent. Nonstop destinations from large airports have risen over 20 percent since 1978. Small decreases in nonstop destinations from small and medium-size airports were more than offset by increases in one-stop service. So despite the cutback in nonstop flights, says the GAO, people flying out of small and medium facilities are "better connected to the entire domestic aviation system in 1995 than in 1978." R

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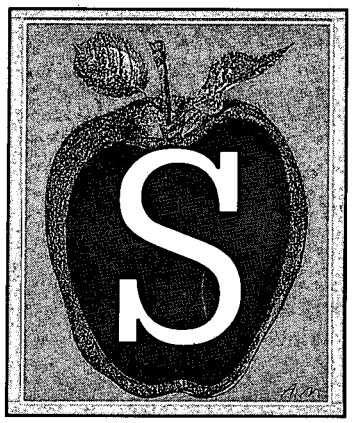
SPECIAL ED

Factory-like schooling may soon be a thing of the past.



School days, I believe, are the unhappiest in the whole span of human existence. They are full of dull, unintelligible tasks, new and unpleasant ordinances, brutal violations of common sense and common decency.

—H. L. Mencken

By Britton Manasco

At 16, Paul Boone writes articles reviewing new computer games for *Mac Home Journal* and aspires to launch a game development company of his own. Such ambitions are not that uncommon in his hometown of San Jose, California, the heart of Silicon Valley. What is unusual is how easily he has been able to incorporate his interest in computers into his education—and why.

Paul, his sister Cristie, 17, and brother Curtis, 12, have been educated at home, by parents who are convinced that children learn best when they are free to explore areas of interest in an independent, self-directed way. When the kids were younger,

ART MATSON

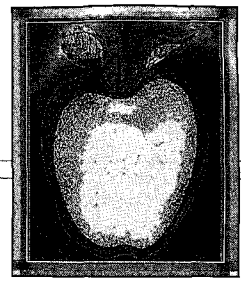
their mother, Jill, spent a great deal of time reading with them and actively encouraging their learning. Now, she explains, they all engage in independent learning activities. Cristie is most interested in the study of literature and takes courses at a local community college. Curtis is interested in ancient history and attends a weekly community college class in art history with his mother. Paul has developed his programming skills through books, on-line discussions, and constant experimentation. He recently got press credentials for a game developers' conference, allowing him to rub elbows with people who may someday be his colleagues. "All the companies are looking for 'self-motivated' people," he notes, and his education has developed that quality.

Jill explains that she supports her children's particular interests while creatively encouraging them to study important subjects that don't initially attract them. To get Cristie interested in studying science, for instance, Jill found literary treatments of astronomy for her to read. "I'm more of a guide or facilitator than a teacher," she says. "I help my kids research topics and find materials. I help them find opportunities and ensure that they get a well-balanced education."

Across the country, in the Washington suburb of Waldorf, Maryland, Marilyn and Chesley Rockett's two youngest sons have followed a more structured curriculum—but a similar philosophy. Marilyn argues that children can learn much more effectively when their learning experiences are not confined to textbooks, classrooms, and grade levels. "The emphasis has always been on learning rather than simply moving on," she says of the education she's given Jeremy, 17, and Jonathan, 19, at home. (Jonathan attends Hillsdale College in Michigan; his younger brother will join him there in the fall.)

When the boys began to study American history, Marilyn sought out books at the local library exploring the impact of American artists, scientists, and political leaders. She and her husband took the boys on an excursion to Valley Forge, Pennsylvania, and had them write up their experiences. While studying the Civil War, she went with them to Ford's Theater and the house of Samuel Mudd, the doctor who treated John Wilkes Booth after he shot Lincoln. This interdisciplinary approach, she says, has helped her children "see the connections" among the many forces that influenced the nation's development.

The two families certainly have their differences. While the Rocketts are evangelical Christians and consider religious instruction a vital aspect of home learning, the Boones shun organized religion and encourage their children to follow their own spiritual paths. The Rocketts have used various commercially available pre-packaged curricula, which they then tailor to their own situation. The Boones have taken a less-structured approach, largely allowing their children to focus on the subjects they find most inspiring (while gently prodding the kids to ensure a breadth of coverage).



A concern for independent thought, a longing to strengthen the family, and a frustration with the bureaucratic limits of conventional schools are leading the home school movement into the mainstream. Home schoolers have grown from 15,000 to 20,000 in the late 1970s to perhaps 600,000 today (some estimates put the number above 1 million).

Both families agree, however, that most private and government-run schools are incapable of supporting the individual learning needs of their children. Both contend that the "socialization" that occurs in schools is generally inimical to learning and personal growth. Both consider home schooling a way of strengthening the bonds of the family.

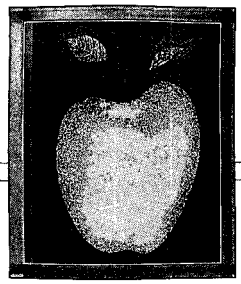
And both the Rocketts and the Boones make a distinction between learning—which is ongoing and boundless—and institutional education, which is tied to a specific time and place. "Living is learning," wrote John Holt, the late author of the classic books *How Children Fail* and *How Children Learn* and an early champion of the home schooling movement (which he preferred to call "unschooling"). "It is impossible to be alive and conscious...without constantly learning things." Although not all home schoolers are admirers of Holt (some of his more conservative critics consider him a "child worshiper"), most share his belief that learning is something that occurs "all the time."

IT IS JUST THIS SORT OF THINKING—a concern for independent thought, a longing to strengthen the family, and a frustration with the bureaucratic limits of conventional schools—that is leading the home school movement into the mainstream. Home schoolers are a statistically small but rapidly growing and increasingly influential force in America. Their numbers have jumped from 15,000 to 20,000 in the late 1970s to perhaps 600,000 today (some estimates put the number above 1 million). The trend is likely to continue, as new products and institutions develop that make it easier for parents to educate children at home.

Particularly intriguing are the trend's potential ripple effects. While it's difficult to imagine a mass exodus from traditional schools in the near term, the home school movement may help create a future in which families have an extraordinary number of choices to educate their children. The movement has shown that children do not need formal institutions to learn and thrive. While standardized test scores of home schoolers are open to charges of statistical bias (due to the near impossibility of obtaining a random sample), Pat Lines, senior research analyst at the U.S. Department of Education, says surveys of state exami-

nations demonstrate that such children "consistently test above national norms."

Home schoolers also provide an inspiration, and a growing market, for a variety of institutions, products, and services that offer individualized learning. Education still tends to be structured around a basic economy of scale: It's a lot cheaper to have one teacher lecture to a large class in a structured way, and at the same time and place, than to tutor students one on one. New technologies allow education to be unbundled. Lectures can be recorded and transmitted to, or videotaped for, anyone, anywhere, any time. Educational software programs allow students to work at their own pace, getting instant feedback on their work. CD-ROMs can make important books compact, inexpensive, and interactive. Internet services and educational networks allow scattered students access to specialized expertise.



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Sheldon Richman, author of *Separating School and State*, believes that the growth in home schooling represents "demand-side entrepreneurship," which he argues would flourish if decentralized learning policies were adopted. Instead of depending on schools, Richman says, parents would be encouraged to ask themselves, "What educational opportunities can I take advantage of for the benefit of my child?" The instructional expertise, group interactions, and custodial care schools offer would continue to be valued. But families would no longer rely on such services exclusively, and children would engage in a mix of learning experiences, some at home, some not.

Such unbundling, which allows for both structured and unstructured learning, gets education away from the idea that learning is best provided in a setting that has much in common with a rigidly structured 19th-century factory. "Schooling," notes Howard Gardner of the Harvard Graduate School of Education, is a mass-oriented phenomenon based on a "uniform idea": "You teach the same thing to students in the same way and assess them all in the same way."

The home school movement suggests that educational choices need not be limited to public and private schools. Rather, parents can create far more flexible arrangements, relying on an array of learning services, resources, and technologies that enable their children to learn at home on a part-time or full-time basis. We can begin contemplating a future of learning opportunities analogous to the innovation and decentralization that is currently taking place in traditional workplaces.

"There's been a huge change in the way people think about education," says Diane Ravitch, a senior scholar at New York University and former head of research in the U.S. Department of Education. "Under the old paradigm, there was only one means—the government school system. The ends—well-educated students—varied wildly." Now, she argues the public appears increasingly willing to allow the means to vary if the ends are kept constant. She notes that more than 250 charter schools, which reduce restrictions and red tape, have been created in taxpayer-financed systems throughout the country and points optimistically to school voucher efforts in Milwaukee and other cities.

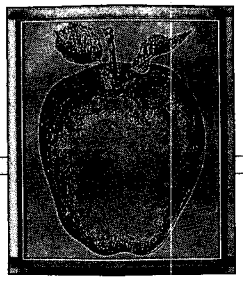
If Ravitch is right that people are beginning to stress educational ends over means, it is quite possible that the taste for experimentation and innovation in education will embrace more meaningfully the notion of individualized learning. A number of proposals have been put forward that explicitly seek to shift funding from institutions to learning opportunities for individuals. Over $300 billion—that's the amount spent on K-12 education annually—is at stake.

One idea, advocated by David Barulich, a Los Angeles–based education policy consultant, would provide "performance grants" directly to parents. The grants, which would be linked to annual examinations and available to any family whose child or children did not attend public school, would allow the family to actively choose the learning services it finds most suitable. Those might include traditional private schooling, specialized tutoring, on-line services, community college classes, or any other combination of formal and informal education. Lewis Perelman, author of *School's Out*, also argues that families should be directly funded and supports what he calls "microvouchers," based on family income, that can be used to buy educational services. Still another plan, conceived by Sharlene Holt of Middletown, Pennsylvania-based ESANet, champions "educational savings accounts." Like the medical savings accounts now bandied about in Congress, ESAs would provide a series of tax incentives that would enable parents to deduct money from their total tax liability for each child who does not attend a public school.

Such efforts have never been more crucial or, given new technologies, more possible. We are entering a new economic era that stresses entrepreneurship at all levels and places a premium on the ability to continuously upgrade knowledge and skills. If individuals are to prosper in this turbulent era, they must, first and foremost, learn how to learn—how to actively acquire new skills as their existing ones lose value. The new economy rewards passion, agility, creativity, initiative, and independent thinking—qualities that today's schools and classrooms often discourage.

On the surface such sentiments jibe exceedingly well with the proclamations of "reformers" in the educational establishment. The Clinton administration advocates "lifelong learning" and has devoted a great deal of energy to wiring schools to telecommunications networks. The president has vowed to connect every classroom and library in the country to the "information superhighway" by the year 2000, allowing him to pose as an agent of change even as he leaves the fundamental educational structure in place.

But experience suggests no reason to assume government schools will adopt more-flexible learning arrangements or implement new technologies any time soon, much less integrate them successfully into the learning process. "It took 30 years to get the overhead projector out of the bowling alley and into the classroom," says Roger Schank, director of the Institute for the Learning Sciences at Northwestern University. "Schools don't change."



Multimedia programs are now available that explore everything from human anatomy to global geography to Renaissance art in compelling detail. Users click on icons to hear stories, view clips, and discover interrelated facts. Many programs are linked to sites on the World Wide Web, which is also proving to be a dynamic medium for new learning resources.

While Schank believes it is important to set clear goals and objectives for teachers and students alike, he thinks schools leave too little room for "exploratory" learning. Rather, teachers are urged to "cover" a vast amount of material, and keep the entire class moving in lockstep. Children, as Schank sees it, are on "an intellectual chain gang," sentenced to dull, monotonous labor that does little to encourage enthusiasm for education.

Schank doesn't think most parents are up to the demands of home schooling and, in fact, he believes the government should create and fund a national K-12 curriculum. But he embraces technological advances that allow for highly individualized learning. He is, for instance, particularly keen on software programs that allow children to create and explore simulated worlds.

Harvard's Gardner similarly stresses the limitations of traditional notions of education. Because schools tend to treat all students in a uniform manner, they are largely incapable of supporting and enhancing the particular skills, abilities, and talents of individuals. In groundbreaking cognitive research over the past two decades, Gardner posits a theory of "multiple human intelligences": linguistic, logical-mathematical, spatial representation, musical, bodily-kinesthetic, the understanding of other individuals, and the understanding of ourselves. He explains that the central educational implication of his theory is that "different styles and profiles of intelligence" cannot be addressed without individualizing the learning process. "This is a new, indeed revolutionary, idea for most persons," he says.

Gardner sees an ally in new technologies. "Technology makes it possible to individualize education," he says. "If we know that someone is strong in language skills or weak in spatial abilities, we can deliver information to them in appropriate ways and also give them viable means of responding. This is the genius of the new flexible, interactive technologies."

The classroom, strictly speaking, is itself a technology. As currently used, however, it is ill-suited to the needs of the individual student. For the most part, personal tutoring is simply not economically or logistically feasible. New information technologies, however, make it possible for students to learn at their own pace and in their own way, with the teacher serving as a mentor and an intellectual coach—guiding, supporting, and questioning individual learners.

Such opportunities can be expected to proliferate as communication costs fall and network capacity expands. Within the coming decade, desktop videoconferencing technologies will enable students to see and speak with experts all over the country rather than rely on a single teacher. And the volume and quality of resources that are accessible online will continue to grow. Such technologies allow students to venture far beyond the confines of a classroom, escaping the boundaries of geography. They decentralize learning, no longer tying it to the physical infrastructure and administrative overhead of schools. Already, telephone companies, cable operators, satellite communications providers, and other innovative companies are investing heavily to create high-performance communication links throughout the nation and globe.

Even that traditional tool of individualized instruction, the book, is becoming cheaper, more compact, and enhanced by new technologies. Software companies such as Microsoft, Grolier, and Compton's are squeezing voluminous multimedia encyclopedias onto a single disc. Another software firm, Corel, has developed a "classic books" program that incorporates more than 3,500 unabridged literary works, detailed profiles of their authors, video clips, and hundreds of illustrations. Inventive math, science, reading, arts, and foreign language programs are also on the market. Multimedia programs are now available that explore everything from human anatomy to global geography to Renaissance art in compelling detail. Users click on icons to hear stories, view clips, and discover interrelated facts. Many programs are linked to sites on the World Wide Web, which is also proving to be a dynamic medium for new learning resources.

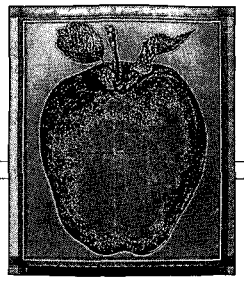
At the same time, the continuing evolution of the Internet has made it possible to offer a range of courses and learning services

online. Despite the limitations of the medium, instructors are able to address the individual learning needs of the child in a way that is not possible in classrooms. Clonlara School, a privately run learning program based in Ann Arbor, Michigan, provides support, resources, and evaluation services for more than 5,000 students throughout the United States, Canada, and a few other countries.

Marketed as an alternative to public schools, Clonlara helps parents receive any necessary approvals from local school authorities for home schooling. It also runs a "campus school" for about 50 students in the Ann Arbor area. Founded in 1967, Clonlara went online in 1994 and has recently introduced a program called "adults graduating," designed for people over 20 years old who never graduated high school. The school charges annual tuition of $475 per family (textbooks and supplies are extra), offers a curriculum list that individuals tailor to their needs, and provides report cards, transcripts, and diplomas "where desired and appropriate." Clonlara "mentors" facilitate ongoing discussions and guide students to available materials for K-12 courses in algebra, physics, science, geography, government, and other subjects. The secondary school curriculum requires 300 hours of volunteer community service, and Clonlara boasts graduates who have gone on to "four year universities, community and junior colleges, computer schools, trade schools, apprenticeships," and the Armed Forces.

Another on-line learning service, Scholars' Online Academy, was recently launched from Baton Rouge, Louisiana. Instructors and students, however, are located all over the country. Scholars' Online stresses college prep and offers a core curriculum similar to that of a traditional private school. The course of study is designed to meet the general education prerequisites of Louisiana State University.

Students interact through e-mail, newsgroups, list servers, and chat sessions (instructors hold on-line "office hours," too). Annual tuition is based on the number of courses per family, ranging from $250 for one course to $1,120 for eight courses. Students, says informational material, "are free to integrate our courses with those of other curriculum providers," or take courses to prepare for advanced placement tests. Instructors record grades and expect timely completion of assignments, but much of the course preparation and achievement depends on the self-paced study of the individual student (and much of the actual learning takes place offline). Scholars' Online offers extracurricular activities such as *Hereditas*, a journal designed to give students experience in writing and desktop publishing. It also encourages participation in the Junior Classical League, a worldwide youth group that arranges competition in categories ranging from ancient Greek and Latin to photography and doll making.



Critics of individualized learning—and home schooling—stress schools' role in developing social skills, but the "community" of the traditional school is not necessarily something to be celebrated. It often includes bullying, contempt for learning, and rigid conformity. The tedium and monotony of institutionalized education is more than many children can bear.

Just as new technologies have enhanced the productivity of work, they appear to be doing the same for home schooling. "Learning technologies have made home schooling a lot easier and a lot more fun," says Mary Pride, publisher of *Practical Homeschooling* and *Homeschool PC* magazines. She home schools her nine children (ages 2 to 16) using a mix of high-tech resources, programs, and services.

The new resources "have made a lot of difference in terms of what the children have been exposed to and have had a chance to see and learn," she says, noting that her kids are now taking courses from on-line tutors and using software programs to do everything from creating a newsletter to learning to play the piano. Her family is on the leading edge of an expanding market. Hal Clarke Inc., a publishing and market research firm in Boulder, Colorado, estimates that home schoolers spend about $1,500 a year on books, software, videos, and other educational materials. "What is emerging is a more consumer-oriented home school family that wants more help, more conveniences, more books, and more software, and is willing to purchase what is needed," according to the *Education Industry Report*.

CRITICS OF INDIVIDUALIZED LEARNING—and home schooling—stress schools' role in developing social skills such as cooperation, collaboration, and communication. "One of the principal functions of school is to teach children how to behave in groups," writes NYU professor Neil Postman in the journal *Technos*. "School has never been about individualizing learning. It has always been about how to learn and how to behave as part of a community."

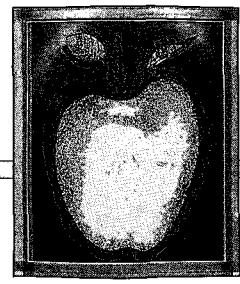
Such comments are misdirected: No one is arguing that technology be employed to the exclusion of human contact and personal warmth. Individualized learning hardly implies learning in isolation. Communications technologies and networks can enlarge one's set of possible associations and even allow for collaborative learning projects that cannot be replicated in the classroom. In a proper setting, they can help facilitate both individual *and* interpersonal skills.

And the "community" of the traditional school, like the community of the assembly line, is not necessarily something to be celebrated. It often includes bullying, contempt for learning, and rigid conformity. The tedium and monotony of institutionalized education is more than many—perhaps, most—children can bear.

As Tracy Kidder writes in *Among Schoolchildren*, "It is as if a secret committee, now lost to history, has made a study of children and, having figured out what the greatest number were least disposed to do, declared that all of them should do it." Kids enter school bursting with energy and enthusiasm. Such fires, however, are often extinguished by a regimen that offers no real outlet for them.

In fact, recent surveys reveal a staggering amount of apathy and ennui among adolescents. In his new book *Beyond the Classroom*, Temple University psychology professor Laurence Steinberg presents the results of a three-year longitudinal study involving 20,000 students in nine high schools in California and Wisconsin. He found that an enormous number of students are "disengaged"—that is, listless and jaded "toward education and its importance to their future success or personal development." Writes Steinberg, "between one-third and 40 percent of students say that when they are in class, they are neither trying very hard nor paying attention."

It's also worth noting that the number of children given Ritalin treatments in school for alleged cases of Attention Deficit Disorder exceeds 1 million, a 250 percent increase since 1990. One wonders if ADD is not in some way built into traditional school models. While such developments cannot be blamed squarely on the schools, they are no doubt a big part of the problem.



Families involved in home schooling are not merely trading in one set of limited options for another. Far from creating antisocial computer geeks, individualized learning has helped make children active, involved members of their communities. "It's life that's diverse," says one parent who homeschools. "Not a closed classroom."

SIMILARLY, THE CASE AGAINST learning technologies is weak, especially when all firsthand experience suggests that such technologies can stimulate interest and bring abstract concepts to life in a way that traditional pedagogical techniques cannot. Like critics of individualized learning, opponents of emerging technologies are locked into an either/or mindset. For instance, in *Silicon Snake Oil*, Clifford Stoll, an astronomy professor at the University of California at Berkeley, argues that today's technologies are a poor substitute for real experience. "Every hour that you're behind the keyboard is sixty minutes that you're not doing something else," he says.

Stoll's math is flawless, but his reasoning is off the mark. Current learning technologies certainly have significant limitations, but they also can provide an excellent alternative to classroom lectures and other school activities that fail to enliven young minds. They are powerful tools that can extend our range of experience and enhance our faculties of learning, just as new technologies enhance our work. Most important, one doesn't have to choose between, say, a multimedia software program about ancient forests and, as Stoll prefers, "a quiet meditation among thousand-year-old redwoods": One can do both.

Indeed, this sense of expansive opportunity is something that families involved in home schooling already understand. They are not merely trading in one set of limited options for another. Far from creating antisocial computer geeks, individualized learning has helped make children active, involved members of their communities.

Jeremy and Jonathan Rockett, for instance, both joined the International Thespian Society and have performed in plays under its auspices. They've also participated in sports leagues and tournaments put together by home school support organizations. Volunteer work—tutoring young children in Washington, D.C., and delivering books from the local library to homebound adults—has been an important part of the learning process too. While home school parents often are accused of sheltering their children from cultural diversity, Marilyn Rockett argues that her own family's experiences speak to the contrary. "It's life that's diverse," she says. "Not a closed classroom."

The Boones are similarly engaged in social and community activities. They too are active volunteers at their library. They are also involved in several informal learning groups. Curtis, Paul, and Cristie all participate in a sign language class and a creative writing club held in their home. Such gatherings bring together numerous children—and debunk the myth that one needs a conventional school to learn how to interact with others. "People don't question whether you can get a good education through home schooling," points out Jill Boone. "But they do raise questions about socialization." One thing the Boone children say they are often asked is, "How did you learn to stand in line?" It's a telling question.

The experience of such families underscores an important point: Families do have choices. Whether or not political efforts to encourage taxpayer-funded alternatives to government-run schools ultimately succeed, families already have the option of withdrawing from the educational system. (Many home schoolers oppose tax-funded schemes, which may entail greater regulation.) As leaving or supplementing traditional schooling becomes more attractive and less costly, the egalitarian ideology and assembly-line pedagogy that dictate one-size-fits-all education cannot remain unchanged. ®

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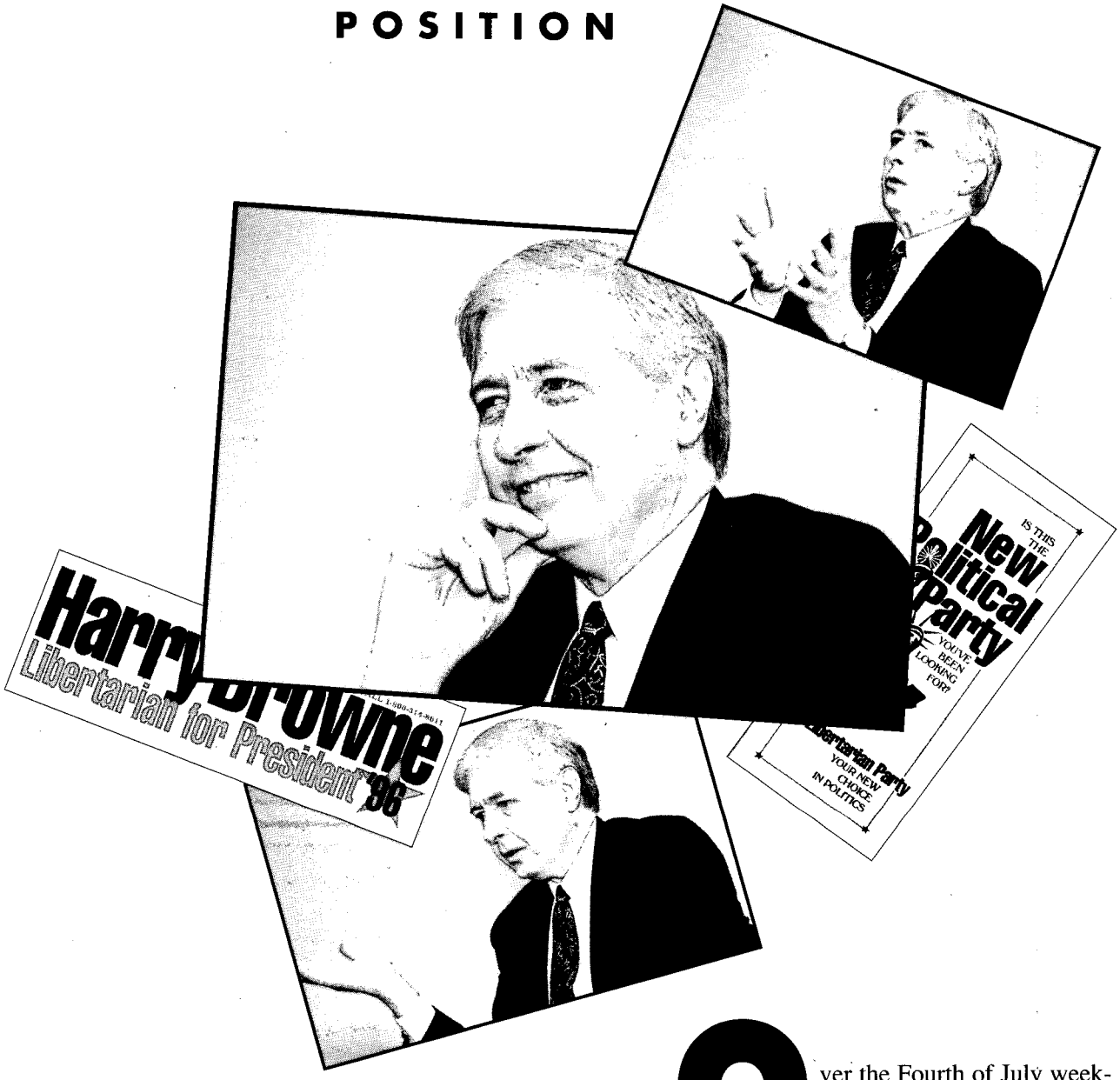
UNCOMPROMISING POSITION



Is "Libertarian politics" an oxymoron?

By Nick Gillespie

Over the Fourth of July weekend, the Libertarian Party will invade enemy territory—Washington, D.C.—and hold its national convention. By all accounts, the likely presidential nominee of the L.P. will be Harry Browne, a respected investment guru and best-selling author of the seminal Me Generation handbook *How I Found Freedom in an Unfree World*. Browne's official campaign headquarters are located in Fairfax, Virginia, but most days you can find him struggling somewhere between Scylla and Charybdis—a rock and a hard place.

JONATHAN NOUROK

It wasn't supposed to be this way. Browne is quite possibly the strongest candidate the L.P. has yet to consider. He is a thoughtful fellow and a persuasive polemicist for libertarian ideas. His campaign book, *Why Government Doesn't Work*, hit the bookstores in January and has sold about 40,000 copies—a strong if not spectacular showing. Having appeared on any number of radio and TV programs over the years, Browne is a seasoned, articulate pundit. He looks and sounds, in demeanor if not content, like a senior senator.

And these are fairly heady times for libertarianism—broadly defined here as a political philosophy advocating individual liberty and minimal government. Indeed, the rhetorical war has been won: Who would have ever thought Bill Clinton would read the eulogy for Big Government in this year's State of the Union address? It is no small victory that proponents of expansive government, whether left-wing or right, must now cloak their plans in sheep's clothing. And it is heartening to read that, in surveys by the Kaiser Family Foundation and Harvard University, only 25 percent of Americans say they trust the federal government (down from better than 75 percent in 1964). Such an attitudinal shift is surely a prerequisite for smaller government. Traditional conservative and liberal—and Republican and Democratic—world views are collapsing into a black hole of moribund sameness.

Because libertarian ideas represent perhaps the only viable alternative to the political status quo, they are taking on greater and greater importance. As *Insight* notes, "Signs of creeping libertarianism are everywhere." The terms in which the evanescent Forbes campaign was widely discussed, and dismissed, suggest that libertarian ideas are going mainstream. "Libertarians have become the intellectual avant-garde of the Republican revolution," declares *New York*, to the point where many of what writer Jacob Weisberg calls "pseudo-libertarian" Republicans are faking it—using small-government rhetoric to mask conventional policies.

But neither his personal skills nor the political climate has made it any easier for Browne to ignite a serious, legitimate bid for the Oval Office from an obscure third-party launching pad. This is no simple task and the results are not easy to watch, especially for those of us sympathetic to Browne's basic message that "government doesn't work." What seemed promising *in posse* has simply withered in the real world, and the quadrennial train wreck that is the L.P. bid for the Oval Office is right on schedule for yet another dispiriting performance. Since the 1980 election, when Ed Clark pulled in a stunning 921,000 votes—attributable in part to the deep pockets of Clark's billionaire running mate David Koch—the L.P. candidate has averaged a mere third of that total, about as many votes nationwide as George Bush got last time around in the state of Arkansas. There is no reason to believe Browne will boost the average. His campaign says he has raised about $750,000 so far, hugely short of the $50 million Browne claims is necessary to run a "first-class campaign."

1972
★ ★ ★ ★ ★ ★ ★
Total Popular Vote: 77,719,000
Republican - Richard Nixon: 47,170,000
Democrat - George McGovern: 29,170,000
American - John Schmitz: 1,099,000
Libertarian - John Hospers: 3,671 (in two states)

Far from influencing the national political debate, Browne has received next to no media attention, aside from *de rigueur* stories about sad-sack third-party presidential hopefuls. Last fall, for instance, *The New York Times Magazine* ran a piece about fringe candidates. Titled "What Makes Billy Joe Run?," it featured squibs on presidential hopefuls good for a laugh or two. And there Browne was, cheek to jowl with such yuk-getters as the Rev. Billy Joe Clegg, whose campaign slogans include "What the world needs today is Jesus" and "Clegg won't pull your leg"; Millie Howard, an Ohio switchboard operator and mother of four who proposes a $10,000 "yearly birthright stipend" for all Americans and who readily admits that she is "an embarrassment" to her husband; and reputed comedian Pat Paulsen, who is making his fourth side-splitting bid for the Oval Office, complete with "frozen TV-dinner fund raisers."

1976
★ ★ ★ ★ ★ ★ ★
Total Popular Vote: 81,556,000
Democrat - Jimmy Carter: 40,831,000
Republican - Gerald Ford: 39,148,000
Eugene McCarthy (independent): 757,000
Libertarian - Roger Lea MacBride: 173,000

Unlike the others, Browne neither cracked jokes nor cracked up in the paper of record. "Browne," reported the *Times* with a straight face, "wants to 'cut Federal Government out of all the areas the Constitution doesn't provide for: education, welfare, health care, crime fighting.'" Browne's serious demeanor and the *Times*'s ostensibly respectful treatment, however, didn't help much. Just appearing in such a piece is the equivalent of putting on a clown suit, hanging out on a street corner, and waving wildly as your embarrassed family drives by.

The Browne campaign's fortunes raise larger issues about the intersection of libertarian ideas and practical politics. By analyzing the campaign, we may get a better handle on the best ways to translate libertarian theory into political practice. The passage from idea to reality is, of course, tricky enough for any ideology. But for libertarianism it is perhaps even more complicated than for most.

That's because many libertarians prize systematic consistency and contempt of compromise as the highest virtues (some even reject participation in elections on such grounds). Such a belief is shot through libertarian thought. A is A, after all, and that's not open to discussion. The central premise of F.A. Hayek's *The Road to Serfdom* is that some central planning leads to more and more planning—a position that, however accurate, makes it difficult to embrace the brokered deals that characterize political reality. If politics is the art of compromise—the *art of* the possible—many libertarians want no part of it to begin with: It's, Live free *or* die, not, Let's make a deal.

While that stance may fuel a powerful philosophical assault on Big Government and its attendant ills, supreme ideological consensus also undercuts effective participation in electoral politics. Rather than capitalizing on the broad, if often inchoate, anti-government and pro-individualist sentiments that seem to be growing among voters, insisting on systematic libertarianism in the political arena reduces the libertarian impulse to a series of litmus tests on issues that many voters may not see as particularly important or connected: gun rights and abortion rights, property rights and drug legalization, free speech and lower taxes. To these mainstream issues the Libertarian Party platform adds such problematic esoterica as jury nullification, a reliance solely on tort law and "strict liability" to govern pollution, and the right of individual political secession. When libertarianism is presented as an all-or-nothing bargain, interested voters are more likely to leave the whole package on the table.

Some of the Browne campaign's other problems are essentially unavoidable. The major media treat third parties and their candidates as comic relief for the "serious" political drama of Democrat versus Republican (two parties which are themselves overstaffed with clowns). There are exceptions, of course: Billionaire Ross Perot, who grew rich off government contracts, can continue to get respectful press coverage even after claiming Republican operatives armed with doctored photos conspired to disrupt his daughter's wedding by smearing her as a lesbian. Though his actual policy prescriptions are barely more credible than his charges of GOP subterfuge, Perot remains a "serious" presence in American politics. But the general rule is that unless alternative candidates have some major-party credentials and don't really represent a third party (e.g., George Wallace or John Anderson), they get no respect.

More recently, the L.P. has become a victim of "creeping libertarianism" in American politics. As ideas associated with libertarianism such as privatization, deregulation, and school vouchers gain widespread acceptance, the L.P. inevitably will become less relevant. Why go to the specialty shop on the other side of town when the neighborhood supermarket stocks the same brand?

Created in 1971, the L.P. has never shaken off its fringe image, which is only reinforced by the breathless claim that the L.P. is "the third largest" political party in the country. While that is statistically correct, actual membership in the L.P. numbers a mere 14,000 (about 123,000 voters are registered as Libertarian). Calling the L.P. a runner-up is like pointing out that George Harrison was the third-most prolific Beatle: Yeah, but so what?

The L.P.'s marginal status is partly the result of cold, hard political realities. All parties start off small; even the currently ascendant GOP had such humble origins in the mid-19th century. Absurd ballot-access requirements specifically designed to lock out alternative groups take a toll, too. And the L.P. wavers between being a "serious" party—one dedicated to electing candidates to office—and a party that serves primarily as an information source about libertarian visions of the good society. Those goals are hardly incompatible, but they often seem to work at cross-purposes. People interested in effecting political change in the foreseeable future tend to gravitate to major parties or groups affiliated with major parties, emptying the L.P. of the sorts of candidates likely to meaningfully engage the political status quo.

More recently, the L.P. has become a victim of "creeping libertarianism" in American politics. As ideas associated with libertarianism such as privatization, deregulation, and school vouchers gain widespread acceptance, the L.P. inevitably will become less relevant. Why go to the specialty shop on the other side of town when the neighborhood supermarket stocks the same brand?

Even Candidate Browne seems ill at ease with the party. In an interview with REASON last fall, he said that, prior to his campaign, he was "not at all involved [with the LP] other than being sympathetic to what they were trying to do. I don't think the Libertarian Party is the best vehicle. I think it is the *only* vehicle." While I long for the day when a major-party candidate mutters a similar line—imagine Bill Clinton dissing the Dems in the same manner—it hardly packs the same ironic wallop coming from a Libertarian candidate.

However uncomfortable he may be with the L.P., Browne nevertheless embodies the party's ambivalent electoral stance: Is he a "serious" candidate or an information source? Unlike previous L.P. candidates who explicitly ran informational campaigns, Browne stresses that he's in it to win. He told REASON he has found a warm reception on the campaign trail, that folks take him as a serious contender. People, he says, "ask me questions like, 'What will you do when you are president and *x* happens?' Not, 'What would a Libertarian president do in this situation?'"

"I am running this campaign to win the Presidency," he writes in *Why Government Doesn't Work*. "I know it is a very long shot, but not nearly as long as it might seem at first glance." Even as he acknowledges the odds, Browne feels a need to murmur that stranger things have happened. In his book, Browne estimates his chances at 100 to 1 (British odds makers have pegged him at 200 to 1).

It is impossible not to wince at such declarations, guarded as they might be. It is like watching a drunk belting out a tune at a karaoke bar: You stare transfixed, cringing at every slurred word, every sour note, wondering who the hell is going to pull him off

the stage. Ironically, such claims make Browne a ridiculous figure largely due to his unwillingness to admit the impossibility of his position. The "I can win this thing" stance seems unlikely to win friends, influence people, or even open up many pocketbooks. If anything, it forces prospective voters to consider the

1980
★ ★ ★ ★ ★ ★ ★

Total Popular Vote: 86,515,000
Republican - Ronald Reagan: 43,904,000
Democrat - Jimmy Carter: 35,484,000
John Anderson (independent): 5,720,000
Libertarian - Ed Clark: 921,000

ugly, no-win question that echoes a standing question regarding the L.P. in general: Is this guy a nutcase or a lost cause? (Browne's main competitor for the L.P. nomination, tax protester cum amateur magician Irwin Schiff, calls for avoiding the question altogether. "Isn't it time the Libertarian Party stopped embarking on a fool's errand directed at winning a presidential election?" writes Schiff. "Doesn't it make more sense to use this opportunity to frustrate and impede the government's ability to exercise its usurped and destructive powers and thus contribute to creating a more libertarian environment, *regardless of who actually wins the election?*")

In obvious ways, Browne's candidacy suffers from lack of engagement with political culture (in this, he again echoes the L.P.). On a certain level, this is hardly surprising. After all, in *How I Found Freedom in an Unfree World*, published in 1973, Browne casts aspersions on the whole idea of political solutions: In a chapter titled "The Government Traps," Browne writes that people "waste a great deal of their freedom working to affect the government—through voting, politics, educating others...protesting, etc....[Don't] waste precious time and energy trying to work through the government to become free."

The disconnect runs to the core of Browne's campaign. Consider his basic platform. "What could a president do in the face of a hostile Congress on [his] first day in office?" Browne mused during the REASON interview. "I will pardon everyone who has been convicted of a tax evasion crime; I will pardon everyone who has been convicted of nonviolent drug crime; I will pardon anyone who's been found guilty of any gun-control violations—all on a federal level."

It'll be a long first day on the job: "I will empty the *Federal Register* of all kinds of things that the former presidents have dumped in there. I will force people who are within the jurisdiction of the administration...to abide by the Bill of Rights and either censure, dismiss, or prosecute federal employees who violate the Bill of Rights in any way. I will immediately remove all American troops from any United Nations operations. I will take steps to bring troops home from overseas wherever possible. I will see to it that the United States government never gets involved in Bosnia or Somalia or Haiti or the Philippines."

Browne has other, longer-range goals as well. He would legalize drugs, abolish the Food and Drug Administration and the Internal Revenue Service, "get government out of the health insurance business" and education, put the kibosh on "all loans and giveaways to foreign governments and international agencies," repeal federal gun-control laws, end affirmative action programs, and kill welfare—which he calls the worst governmental "helping" program because it consigns "beneficiaries" to a lifetime of despondent dependency.

The centerpiece of his campaign is a proposal to sell off over 90 percent of "unneeded" assets, including national parks, vacant land, oil and other commodity reserves, water and mineral rights, dams, pipelines, vehicles, aircraft, equipment, and buildings. Browne figures that this one-time clearance sale, which would take place over a six-year period, would net around $12 trillion. That would, he says, allow the government to abolish Social Security and buy a private annuity for anyone already dependent on the program or close to retirement; younger folks would benefit by being freed of the 15 percent Social Security payroll tax that is currently split between employer and employee.

The sale proceeds would also mean, writes Browne, "We can balance the budget *immediately* in 1998—the first fiscal year of the new presidential term." And the money would finance the repeal of all federal income taxes. "Everything you earn from 1998 onward will be yours to use as *you* see fit. No more keeping records to please the government, no more living in fear of the IRS," writes Browne, who notes that "the remaining taxes would be mostly customs duties and excise taxes."

His ultimate goal is a "freedom budget." "If we shrink the federal government from its current yearly budget of $1.5 trillion down to just its constitutional functions, we could get by with a budget of only $100 billion a year plus the interest that has to be paid on the federal debt," he writes.

Give Browne his due: He has thought his plan out. While not exactly a tome of Kissingerian depth or heft, *Why Government Doesn't Work* is as good as or better than most campaign books. Browne goes into considerable detail on a range of topics, and he explicates his positions clearly, concisely, and logically. Both in

1984
★ ★ ★ ★ ★ ★ ★

Total Popular Vote: 92,653,000
Republican - Ronald Reagan: 54,455,000
Democrat - Walter Mondale: 37,577,000
Libertarian - David Bergland: 228,000
Lyndon LaRouche (independent): 79,000

print and in person, he has an engaging, winning personality, with a knack for turning a phrase: Discussing the difficulty of publicizing his campaign, he notes wryly, "No one is going to give us respect and recognition just because we're cute guys and have great ideas."

And yet, underlying Browne's whole agenda is a ridiculous fantasy of presidential power. For the moment, let's assume that the numbers add up (and that announcing a fire sale of federal assets doesn't drive the asking prices through the floor). While it may technically be the case that the president can, with the stroke of a pen, excise bits from the *Federal Register*, it's easier said

than done. Bill Clinton found that out when he tried to change military policy regarding gays by executive fiat. And shutting down whole agencies requires new laws, which in turn require congressional assent. Glacial bureaucracy did not simply appear overnight—nor will it disappear in short, fast order.

On a deeper philosophical level, the problem of engagement is even more acute. Browne can point to nothing in today's society that approaches his vision of Galt's Gulch. When he talked with REASON, we asked him if he could identify any model states that came close.

1988
★ ★ ★ ★ ★ ★ ★
Total Popular Vote: 91,595,000
Republican - George Bush: 48,886,000
Democrat - Michael Dukakis: 41,809,000
Libertarian - Ron Paul: 432,000
New Alliance: Lenora B. Fulani: 217,000

"There are just differences of degrees," he said. "States like New Hampshire and Tennessee have smaller governmental loads than states like New York, California, and Alaska, but certainly none serves as a model." Who did he think was the most libertarian elected official in the country? "I don't think I know of anybody that I would put in that category. I know you're asking for the *most* libertarian, but there's nobody that stands out in any way to me."

OK, what about past presidents, who's your fave? "I've heard so many good things about Grover Cleveland, Calvin Coolidge, and even Warren Harding, and Jefferson said so many good things. Unfortunately, he said most of them when he wasn't president. Nobody has been able to do what's necessary." (He is more certain on the topic of the worst president: "I think the ones who have hurt us the most are Ronald Reagan and Richard Nixon because they...got elected on the basis they were going to turn things around and then went completely in the other direction.")

And then there's the $64,000 question: Has there ever been a time in history, short of a violent revolution, when government has rolled itself back in the ways he's proposing? "No," said Browne.

In a sense, Browne is absolutely correct on all counts. But following his line of reasoning, what we really need is the equivalent of the French Revolution, an event that remains the epitome of what Hayek disparaged as the "fatal conceit"—the idea that men could create the world anew, according to some grand, wise, and judicious plan. Ironically, among the great libertarian contributions to political economy is libertarianism's critique of utopianism and the insight that social institutions are built over time and are sensitive to place. We cannot simply bulldoze the past like a dilapidated building.

That insight, of course, leads to a real tension inherent in any libertarian political program: How, then, do you get from here to there, responsibly? Browne, for instance, is adamant that there be no "glide path," no long, easy transition from the old order to the new. And he has absolutely unimpeachable reasons: If there is a drawn-out transition, he says, "It will never happen. The moment you turn your back, Congress will turn back to its old ways." But his own plan would lead to considerable social upheaval which, if nothing else, would probably undermine any political consensus necessary for reform.

But we don't need a revolution, argues Browne, "We just need somebody that's more determined than anybody ever has been. Somebody who has the will and determination to go there for four years, pull this thing off and then go home and enjoy the last years of his life in peace and freedom." That someone is Harry Browne: "I'm the best qualified person because I have the will and determination to make this happen, and I do not know of anybody else who does."

In a way, by spinning out such a ludicrous scenario, Browne performs a meaningful social service: He is, after all, merely saying baldly what all mainstream presidential contenders believe in their hearts. When we hear it come from a marginal candidate, we get a stronger, fresher sense of the hubris and egotism that drives, say, a Bill Clinton or a Bob Dole. (And this is possibly one of the reasons why Big Journalism, invested as it is in the establishment power structure, refuses to take third-party candidates seriously.)

But the Great Man theory remains one of the grim specters haunting libertarianism, which is, after all, a political philosophy that exalts diffused power. All we need, it turns out, is Cincinnatus crossed with John Galt—we assume he'll look like Gary Cooper. The Great Man will come in from his mountain hideaway, kick some ass, and go home, leaving in his wake a society dedicated to individual liberty and true laissez faire. Public-choice economics—largely the product of libertarian-oriented economists James Buchanan and Gordon Tullock—casts doubt on such a beautiful dream.

If the belief in a one-man wrecking crew doesn't provide a strong cornerstone for a campaign effort, Browne's ritual invocation of the "people" offers little more foundation. "I have posed a simple question to hundreds of people I've met," he writes. "If you had your choice, would you want more government than we have now, less government than we have now, or about the same amount as now? I've asked this question of taxi drivers, store clerks, bellmen, and waiters; I've asked people who

1992
★ ★ ★ ★ ★ ★ ★
Total Popular Vote: 104,425,000
Democrat - Bill Clinton: 44,909,000
Republican - George Bush: 39,104,000
H. Ross Perot (independent): 19,742,000
Libertarian - Andre Marrou: 292,000

are black and white, men and women, old and young. Almost invariably, the answer comes back right at me: 'Oh, I'd like a lot less government. Taxes are too high, government is too big.' ...Most people recognize [that government doesn't work]. That doesn't mean that politicians recognize [the fact]. I think, in essence, we have won the educational war, not just with drugs, but the whole question of government. What has not been won is the political war. People want less government." Browne backs up

his "informal survey" with polls showing widespread disgust with and distrust of government.

But none of the anti-government mutterings that were so audible before and after the 1994 elections (and considerably less so now) mean that people understand that government doesn't work or that they want less of it—at least not in any concrete, specific way. Browne is right that the political war has yet to be won—in many ways, it has not even yet been engaged. But he is mistaking a rhetorical victory for an educational one.

Consider, for instance, his take on the drug war. "Today," he says, "nobody even asks about the War on Drugs. And if I bring it up, nobody challenges me [on legalization]." In fact, exceedingly few people have lost faith in current policies or the government that enacts them. Most people have embraced the drug war as every bit a part of the American landscape as the Statue of Liberty or the Grand Canyon. Last fall, a Gallup poll found 85 percent of over 1,000 adults surveyed opposed legalization, 83 percent favored more anti-drug education in public schools, and 87 percent favored increased funding for drug police. While legalization is an increasingly popular idea among some political and intellectual elites, there is simply no indication that the "people" are rejecting the drug war. Indeed, there seems to be genuine enthusiasm for opening new fronts such as the current legal and political campaigns against tobacco.

While the lack of enthusiasm for libertarianism qua libertarianism explains the tepid reception of the Browne campaign, it doesn't necessarily bode ill for libertarian ideas. Libertarian-oriented policies will happen on a piecemeal basis, not as the result of some sea change in political philosophy. This is, after all, how Big Government beefed up—and how it remade individuals to see the government as the answer to all problems.

The same goes, more or less, for the general anti-government mood. It is one of the tragicomic aspects of the American political system that we get the government we vote for (or, as H.L. Mencken would have it, we get the government we deserve). By and large, politicians do not rule the country against the majority's wishes. If libertarians have indeed won the educational war, how did Congress enact V-Chip and Internet censorship legislation, two provisions wildly popular with the general public?

This isn't to say that "creeping libertarianism" doesn't exist. Confidence in government is at record lows and people are willing to hear out new ideas. Opportunities abound for inserting libertarian ideas into practice not because they are libertarian but because they may prove more workable than the status quo. To non-believers, the promise of such ideas may well hinge on the perception that they are beyond ideology. For instance, the public debate over Social Security reform—which may well culminate in a semi-voluntary, more market-oriented policy—is not driven by outrage at the government forcing people to save for retirement. It's driven by the inescapable realization that the system is rapidly going broke. The same goes for the seeming enthusiasm for budget cutting and reduction in certain types of regulation.

While the lack of enthusiasm for libertarianism qua libertarianism helps explain the tepid reception of the Browne campaign (and by extension, the L.P.), it doesn't necessarily bode ill for libertarian ideas. When libertarian-oriented policies are implemented, it will happen on a piecemeal basis, not as the result of some sea change in political philosophy. This is, after all, how Big Government beefed up—and how it eventually remade individuals to see the government as the answer to any and all problems.

As Hayek noted in the 1956 preface to *The Road to Serfdom*, "The most important change which extensive government control produces is a psychological change, an alteration in the character of the people. This is necessarily a slow affair, a process which extends not over a few years but perhaps over one or two generations....[T]he political ideals of a people and its attitude toward authority are as much the effect as the cause of the political institutions under which it lives." Statist policies were in place long before the majority of Americans were statists. The process, one hopes, works in reverse, too: It may well be that we will be living in a libertarian society long before a majority of people consider themselves libertarians.

A couple of years ago, I had a conversation with a fellow passenger on an airplane flight. We started talking about how successful airline deregulation had been: better fares, better safety, better service, better everything. When I made the pitch that such efficiencies were the result of relatively unfettered market forces and could be realized in other areas, he stopped me cold. No way, he said. You're going to have to convince me on that one.

This is similar to the point at which the libertarian movement finds itself. It is engaged in conversation with the mainstream—at long last!—and, if it is to become a dominant force in American political life, it will have to be persuasive every step of the way. To the extent that Browne and the L.P. add to that conversation, it's all to the good. But their fate is not the fate of libertarianism. Many libertarians, I'd wager, can find comfort in the irony that we may never have a Libertarian president until long after Big Government has passed from the scene. ℞

Senior Editor Nick Gillespie (ngilles123@aol.com) expects to vote for Harry Browne in November.

NO EASY WAY OUT

FIXING SOCIAL SECURITY CAN'T BE PAINLESS.

BY JOHN ATTARIAN

"In years past, you could hold a hearing like this in a bowling alley at 3 a.m.," observed Sen. Alan Simpson (R-Wyo.) on March 25, when a Senate subcommittee heard testimony from members of the Advisory Council on Social Security. The 13-member advisory council is the latest incarnation of a committee that has been appointed by every administration since FDR. Usually its reports do not receive much notice. But the current advisory council, appointed in 1994 by Secretary of Health and Human Services Donna Shalala, has been considering dramatic changes in the Social Security system, including various forms of privatization. Its report, which was scheduled to be released in April, has been anxiously awaited, with politicians and journalists trying to predict the recommendations of the deeply divided panel. Meanwhile, the House Public Pension Reform Caucus, co-chaired by Reps. Jim Kolbe (R-Ariz.) and Charles Stenholm (D-Tex.), has attracted about 40 members from both parties since it was formed last August. As Simpson noted at another Social Security hearing in March, "People are talking about this issue as never before."

That's because they are finally starting to recognize that, without fundamental reform, the Social Security system will start to collapse in the second decade of the next century, as the baby boom generation retires. A number of reformers have proposed ways to avoid the crash (see "Retirement Plans," March). So far, however, these plans have not received close scrutiny. Given Social Security's importance in our national life and in the retirement calculations of millions, and the pain that its bankruptcy would inflict, the temptation to escape into utopian quackery is enormous. For the sake of all concerned, it must be resisted, lest we embrace some clever but unsound scheme promising Americans their fantasy: a painless ending in which no hard choices are made, no one gives up anything, and everybody is happy.

A case in point is National Development Council Chairman Sam Beard's proposal to divide Social Security's payroll tax into two tiers, one to pay current retirees' benefits, the other to be invested in individual investment and retirement accounts (IRAs). Beard has been promoting his scheme assiduously, in *Policy Review*, in *The Wall Street Journal*, and in his book *Restoring Hope in America: The Social Security Solution*, recently published by the Institute for Contemporary Studies. Beard's book exhorts readers to join a citizens' campaign for his plan; it even offers "talking points" to help them. Republican presidential candidate Steve Forbes similarly proposed putting part of payroll taxes into IRAs or 401(k) plans. Certain to be prominent in the Social Security reform debate, Beard's plan is a good candidate for a hard look. It doesn't pass muster.

CHIP BOK

In his book Beard claims that his plan can "turn every hard-working American into a millionaire" via "a radically redesigned Social Security system." By century's end, more than 100 million Americans will be earning at least $10,000 annually. "Allow them to set aside their Social Security payments into personal investment and retirement accounts—and they will become millionaires."

Beard would "begin by keeping our promises to current retirees," using Tier 1 of the payroll tax. "Most of your Social Security taxes will be pledged to pay the Social Security of existing retirees." For Beard deems Social Security "a sacred contract" and intends to pay current retirees all benefits "as promised under the existing system," i.e., mandated by present law.

One's remaining payroll taxes would go into Tier 2 for IRAs. "Will it require paying higher taxes? No." Anyone who paid at least $500 in payroll taxes could participate. Drawn from payroll taxes and voluntary savings, Tier 2 contributions would be capped at $3,000 a year. The first $500 in payroll taxes would go automatically into Tier 2, matched by payroll taxes paid by your employer, up to a total of $1,560 in taxes. Workers earning $12,580 or more could have set-asides of $1,560, $2,500, or $3,000. To increase your set-aside to $2,500, you would add $628 in savings, matched by another $314 in taxes. To hit the $3,000 maximum, $1,500 in payroll taxes would be matched by $1,500 in savings.

This money would grow into huge nest eggs: "If you earn $12,580 or more per year, you can amass a capital pool of $1,291,433 with $30 per week set aside from your taxes." How? "The magic of compound interest": 8 percent interest generates that sum in 45 years; $2,005,799 in 50. Since

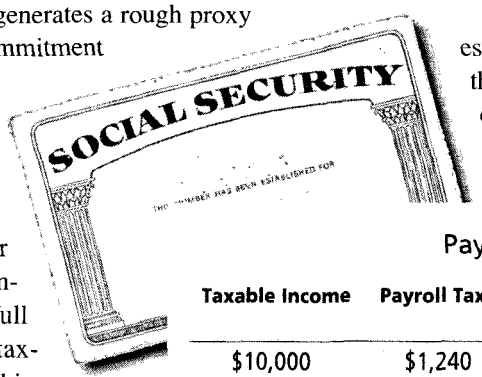
the return on the Standard & Poor 500 stock index during the past 70 years has averaged 10.2 percent, Beard argues, a rate of 8 percent is not farfetched.

Besides saving Social Security, Beard's scheme to create "100 million millionaires" serves another agenda: to "democratize capital ownership" á la Louis Kelso, father of Employee Stock Ownership Plans (ESOPs). Most wealth, Kelso argued, is produced by capital. "The magic of compound interest" would enable workers to become rich and obtain a second income: payments from their capital. Furthermore, this "mind-boggling" additional wealth—100 million millionaires means a $100 trillion capital pool—would have "unprecedented" potential to stimulate economic growth. A tempting prospect indeed.

Unfortunately, Beard's plan is untenable. Use payroll taxes to simultaneously keep all of Social Security's promises to current retirees *and* create "100 million millionaires"—without tax increases? It can't be done.

Before we adopt any two-tier scheme, the first thing to ask is this: Assuming we're going to pay current retirees full benefits under present law, how much of the payroll tax must be retained to do so? This question is the crux of the matter, since its answer determines the scheme's possibilities. Yet Beard nowhere asks, much less answers, it. Indeed, he doesn't even seem to realize that it needs asking.

A handy way to answer the question is to consider the recent performance of the payroll tax. In recent years its revenues have been not only paying benefits but creating trust fund surpluses. From 1985 to 1995, the surplus of payroll tax revenue over benefit payments averaged 9.6 percent of revenue. So in an average year, 90.4 percent of revenue went to pay benefits, leaving 9.6 percent for the trust funds. This generates a rough proxy for the Tier 1/Tier 2 split that a commitment to pay current retirees full present-law benefits would dictate. Honoring that commitment requires (rounding to simplify things) 90 percent of payroll taxes, leaving only 10 percent for Tier 2. But this means that if we insist on paying current retirees full benefits, most Social Security taxpayers would have virtually nothing left for their IRAs—nowhere near enough to create a million-dollar nest egg in 45 years.



A $10,000-a-year worker putting 90 percent of his $1,240 combined employer-employee payroll tax into Tier 1 would have only $124 a year, or $2.38 a week, left for Tier 2. After 45 years at 8 percent, this would grow to just $102,652.

Higher-income taxpayers won't hit the cool million, either. At $61,200, Social Security's maximum taxable income, a 90/10 split of the $7,589 payroll tax leaves only $14.60 a week to invest, which would generate only $628,067. Not even the highest-income taxpayers, then, would be able to have "$20–$30 a week set aside from your taxes"—not while paying full present-law benefits. Becoming a millionaire would require adding far more voluntary savings than Beard contemplates.

Besides, these are only nominal-dollar nest eggs. By Beard's own admission, adjusted for 4 percent annual inflation, $1,291,433 becomes $229,935; $1,026,524 shrinks to $182,769. Our $10,000-a-year worker's $102,652 thus becomes $18,277.

Not only does Beard ignore the issue of how much payroll tax would be needed to pay benefits, but his plan counts payroll taxes twice. He says "most" payroll taxes would go into Tier 1 to pay current retirees' benefits. But his book's examples of capital accumulation from money "set aside from your taxes" on incomes up to $12,580 assume that the entire tax goes into Tier 2. And he consistently writes as if all of everyone's payroll taxes would be invested: "Allow them to set aside their Social Security payments...and they will become millionaires"; "the 12.4 percent payroll taxes compounded...will grow very substantially in personal savings and investment accounts"; "if they could set their current tax payments aside...".

It doesn't add up. The same dollar cannot go into both Tier 1 and Tier 2. Paying current retirees all present-law benefits (Tier 1) would, we saw, require 90 percent of payroll taxes. But creating "100 million millionaires" (Tier 2) would require *all* payroll taxes, at least on incomes up to $12,580. Beard's plan would allow someone at the maximum taxable income to put $1,560 of payroll taxes into Tier 2, or 20.6 percent—more than twice what a 90/10 split permits. The conclusion is inescapable. We can use payroll taxes to pursue one goal or the other, but not both. Something's got to give.

Sure enough, in *Restoring Hope in America*, Beard escapes into something called Liberty Bonds "to finance the two-tier system." Liberty Bonds are "a new financial instrument" that would offer Americans "the opportunity to trade promised Social Security benefits

Payments vs. Investments

Taxable Income	Payroll Taxes	Money to Pay Benefits (90%)	Money for IRA (10%)	Amount Set Aside per Week
$10,000	$1,240	$1,116	$124	$2.38
12,580	1,560	1,404	156	3.00
15,000	1,860	1,674	186	3.58
20,000	2,480	2,232	248	4.77
25,000	3,100	2,790	310	5.96
30,000	3,720	3,348	372	7.15
40,000	4,960	4,464	496	9.54
50,000	6,200	5,580	620	11.92
60,000	7,440	6,696	744	14.31
61,200	7,589	6,830	759	14.60

Note: These figures assume full benefit payment to current retirees.

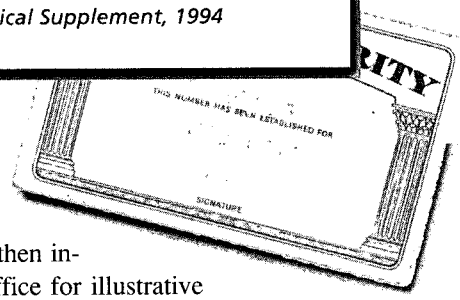
which come due from 1996 through 2025—a thirty-year period—for a future benefit." Retirees with "more adequate" income from private means can voluntarily defer receiving benefits and instead pass them on tax free after 30 years (2026–2055) to their heirs or others.

Stripped of promotional humbug, Liberty Bonds are Beard's tacit admission that his plan doesn't work, that it overpromises, that it is unsound and must be "financed"—bailed out by asking current retirees who can afford it to lend Social Security money in exchange for not getting their benefits on time. Beard draws a specious analogy with a bankrupt firm asking creditors to accept deferred payment: "The business will bring in a large infusion of capital, and pay off the creditors once profits return. Similarly, Liberty Bonds will infuse cash into Social Security." It takes monumental effrontery, the kind found in banana republics negotiating with Western banks, for a deadbeat not only to stiff his creditors but to ask them to lend him more money. Worse, this particular deadbeat's only "profits" for repaying his creditors are taxes on those selfsame creditors or their children.

Payroll Tax Revenue for Various Income Ranges (1991)

Taxable Income Range	Number of Taxpayers	Total Taxable Income	Payroll Tax Revenue	Percentage of Total
$1 to 8,399	47 million	$173 billion	$22 billion	7%
8,400 to 22,799	47 million	724 billion	90 billion	28
22,800 to 37,199	25 million	725 billion	90 billion	28
37,200 to 46,799	8 million	346 billion	43 billion	14
48,000 to 53,400	7 million	586 billion	73 billion	23

Source: *Social Security Bulletin, Annual Statistical Supplement, 1994*



Coercion is statism's last resort when it runs out of tricks, and so it is here: "If a voluntary plan does not work, I recommend implementing the Liberty Bond system on a mandated basis...a scaled formula could be created whereby Liberty Bonds...would become mandatory." This is a singularly obnoxious stiffing of retirees with private savings, penalizing them for being provident and thrifty. Mandatory "Liberty" Bonds also amount to taxing retirees—who thus get taxed twice, once in their working years and again in retirement—by forcing them to buy 30-year IOUs on their benefits. And whether voluntary or mandatory, 30-year benefit deferral is tantamount to benefit termination. So much for keeping all promises to current retirees.

The other possible escape is to raise payroll taxes on selected victims. As described by Rick Henderson in the March issue of REASON, Beard's plan implicitly does this: "Workers who pay more than $3,000 a year in Social Security taxes couldn't invest all of their payroll taxes privately; benefits for current retirees would come from the payroll taxes these higher-wage workers pay." Translation: *Taxpayers with taxable incomes between $24,194 a year (which corresponds to a $3,000 payroll tax) and $61,200 (the maximum) would carry the whole burden of supporting current retirees.* Exempting taxable incomes up to $24,200 (rounding again for simplicity's sake) substantially narrows Social Security's tax base. Common sense says that if we narrow the tax base, we must raise tax rates to obtain the same revenue. Workers with $24,200 to $61,200 in taxable income would have to pay much higher payroll taxes.

This would be an economic and moral disaster. The *Social Security Bulletin*'s 1994 annual statistical supplement includes tables giving the number of workers with taxable incomes below the 1991 maximum of $53,400 (since then increased, but these figures suffice for illustrative purposes). It turns out that workers with incomes below $24,200 paid 38 percent ($121 billion) of 1991's total payroll tax revenue ($317 billion); workers with incomes from $24,200 to $53,400 paid 62 percent ($196 billion). So if workers with incomes below $24,200 had been allowed to put all their payroll taxes into Tier 2, and all of them did so (which would be their rational choice), in 1991 Social Security would have lost 38 percent of its revenue.

Now, if people with taxable incomes from $24,200 to $53,400 were to support the retirees, they would have had to pay not $196 billion but all $317 billion, or 62 percent more. In other words, had Beard's plan been operating in 1991, these "higher-wage workers" would have had to pay a 62 percent higher payroll tax rate—i.e., 20 percent—all of it going into Tier 1, none into IRAs. So much for creating 100 million millionaires via payroll taxes. With today's maximum taxable income of $61,200, this tax hike would be smaller but still substantial. To use the payroll tax as an instrument of forced saving for these workers, so they too could have Tier 2 accounts, their taxes would have to go higher still.

Thus, this version of Beard's two-tier plan necessarily means a two-tier tax rate, with an abrupt, sharp jump when one's income hits a mere $24,200 or so. The effect on work incentives would be disastrous. It is not the plutocrats who would suffer—Social Security does not tax income above $61,200—but the middle class and small-scale entrepreneurs, who would despair at hitting so high a tax rate so quickly.

At work here is not only Beard's flight from a fiscal bind of his own making but his egalitarian agenda of democratizing capital ownership. Lower-income taxpayers would be allowed to escape payroll taxes and become "minimum-wage millionaires"—thanks to bleeding even modestly higher incomes. Far from ushering in a utopia of saved Social Security, 100 million millionaires, and an ocean of capital to finance fabulous growth, Beard's plan is a grim recipe for economic cannibalism.

In sum, Beard's two-tier plan cannot do what it promises to

do without doing precisely what it promises not to do: raise taxes or cut benefits. It cannot work without making somebody suffer.

Even if none of these problems existed, fiscal realities would kill the plan in the cradle. The Social Security Board of Trustees' actuarial analysis using "high-cost" assumptions—the most realistic—projects that in 1999, payroll taxes will stop generating a surplus. In just three years, there will be no payroll taxes to spare for Tier 2.

This exposure of the Beard plan's calamitous weaknesses is a cautionary tale for two-tier plans in general and for the whole Social Security reform debate. There simply isn't enough wiggle room to allow current taxpayers to both pay full current retiree benefits and build nest eggs from payroll taxes.

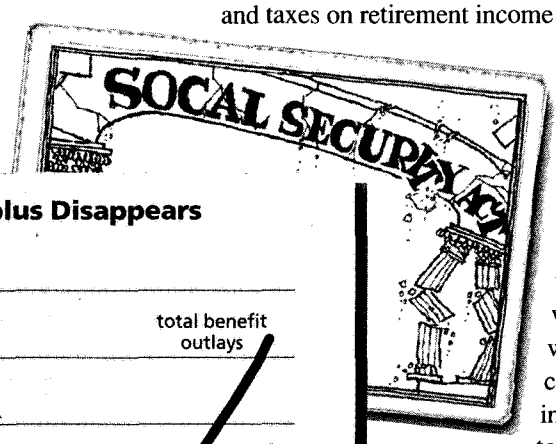
As for Chilean-style privatization, its private pension option for taxpayers is analogous to Beard's Tier 2 and would likewise create a revenue shortfall requiring coverage, perhaps from general revenue, to pay current retirees full benefits. Again, making it work would require either beneficiary or taxpayer sacrifices.

The brutal truth is that Social Security's prospects are so bleak, and we have evaded reality for so long, that a cheap, painless solution is not possible. Beneficiary or taxpayer suffering is inevitable and necessary. Our first task here is to look reality in the face. That means admitting that you can't get something for nothing. It also means publicly demolishing the pernicious myths of Social Security, which still grip the minds of millions, including Beard. One doesn't get what one paid in; benefits are not an "earned right"; Social Security isn't retirement insurance. We have to face the immorality of Social Security, too. It is wrong to force people to support others. It is wrong, an odious abuse of trust and breach of faith, to lie to young and old about what is going on. And a system grounded in coercion, deceit, and dishonor does not deserve to survive. We must abandon the delusional entitlement mentality itself. There is no entitlement to comfortable retirement. Asserting that one exists doesn't make it true. The only guarantee in life is death.

Our best course is to accept the inevitable suffering and treat it as the price of buying back our freedom. Liberate the baby boomers and post–baby boomers—those born from 1945 on—from Social Security taxes in exchange for their renouncing all benefits. They would be responsible for their retirement and, if they wish, they could invest their erstwhile payroll taxes in tax-free IRAs. Their share of the necessary suffering will be to see the payroll taxes they've already paid for what they really are—transfers to today's elderly—and to forget about "getting their money back," or any benefits at all. But they would finally be free to manage their money their way, which is how it should have been all along.

As for current retirees and workers soon to retire, complete benefit termination is politically impossible—and after lying to them for decades the government is obligated to deliver something. But there is no legal or moral right to full current-law benefits, either. Retirees' share in the necessary suffering will be substantial benefit cuts. Benefits should suffice only to keep a retiree decently above poverty. They should be rigorously means-tested: The Clark Cliffords of America have no right to the earnings of struggling single mothers bagging groceries. Such bare-bones benefits should be financed from directed general revenue, perhaps a temporary national sales tax. As the beneficiary population disappears, the tax would be reduced accordingly, until it too disappears.

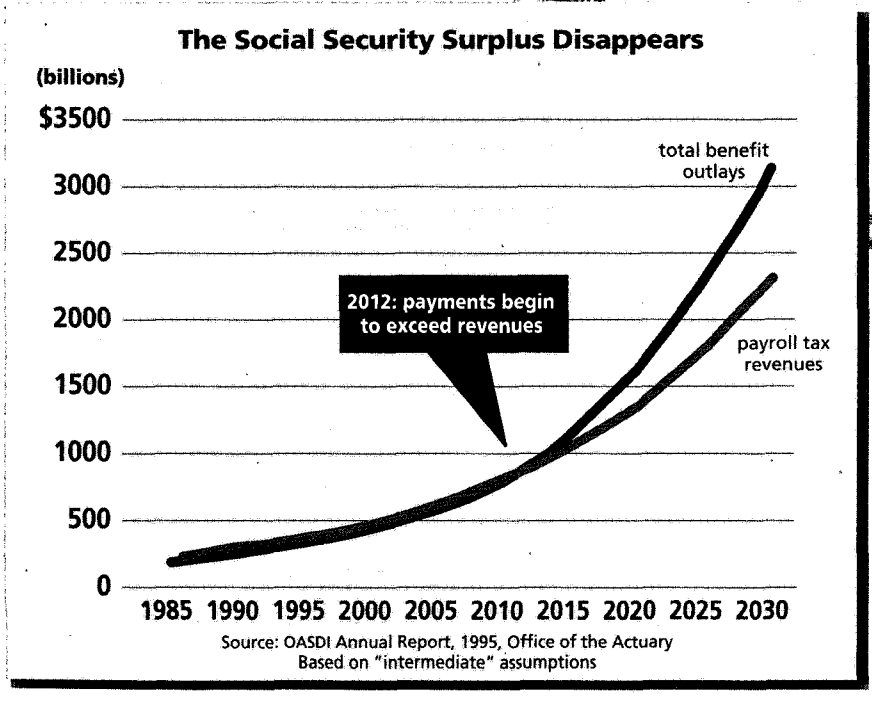
To make this admittedly hard step as bearable for the elderly as possible, all benefit taxation, retirement earnings limitations, and taxes on retirement income from all sources should be abolished. Retirees could earn all they want and keep all of it—a long stride toward true economic liberty.

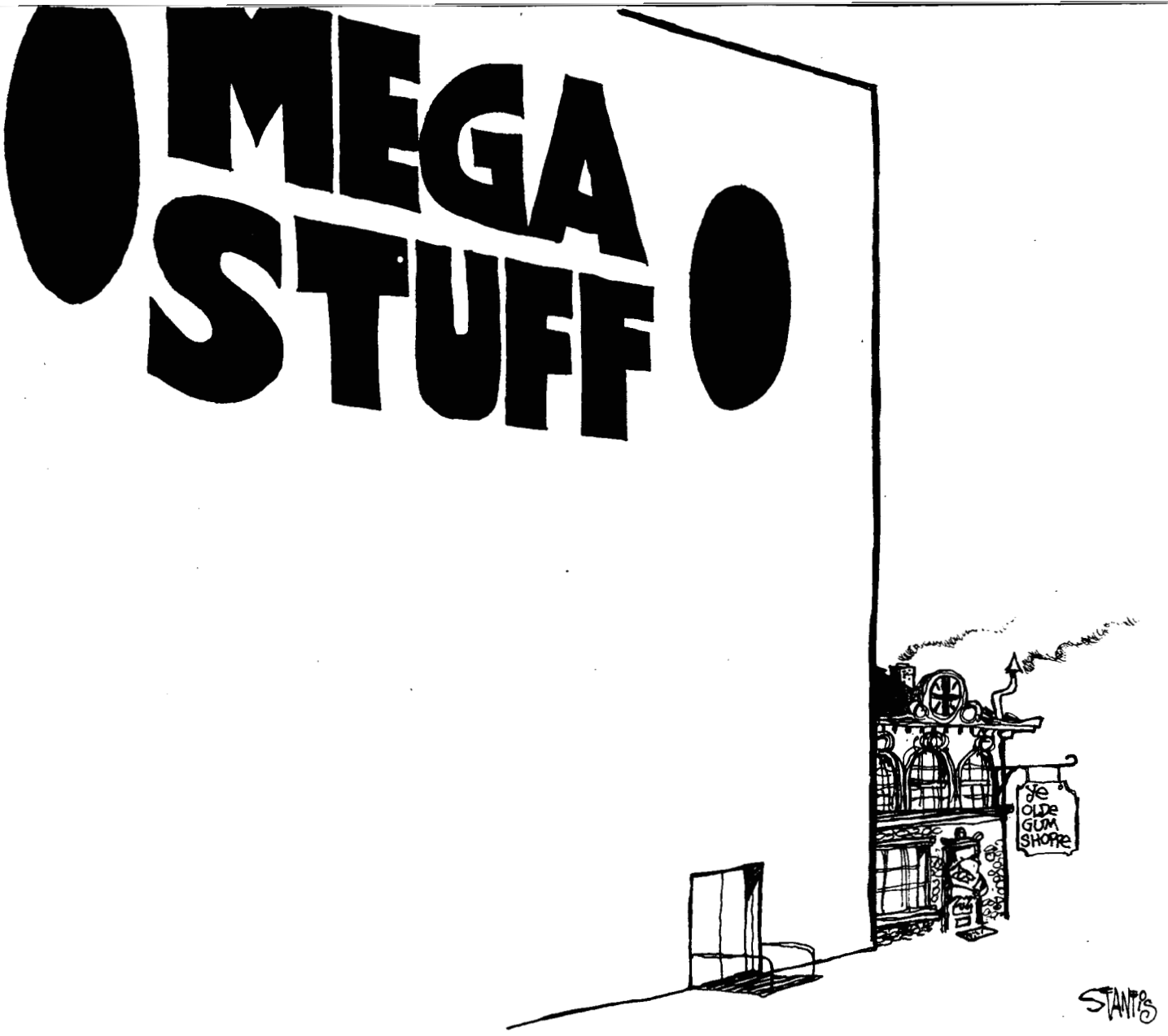


And if retirees' savings, earnings, and minimal benefits won't amount to much? Then let their children help them. That's what children are for. That's what "family values" mean. We could give a tax credit for supporting elderly parents, but it is odious to bribe people into doing the duty that family membership commands.

I will not insult my readers' intelligence by pretending that this will be easy, fun, or painless. It won't be. But it will be honest. Current retirees who genuinely needed benefits would get something—not much, but something. Taxpayers would be liberated. And by the time baby boomers retire, Social Security would be gone—without taking America with it. ®

John Attarian is a freelance writer in Ann Arbor, Michigan, with a Ph.D. in economics.





THE BRITISH DISEASE

IT'S SANITY.

BY JONATHAN RAUCH

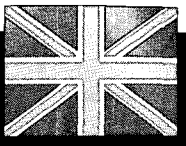
How many cities are remembered for their taxis? A lot, probably; certainly London. When I think of the British, I recall a London cabbie who rumbled in circles through the maze of Westminster but could not find the place I wanted. When I finally got out to ask my way on foot, he might have wished me luck and driven away. Instead he spent three minutes meticulously giving me "directions." I say "directions," in quotes, because he had no more idea where the place was than I did. "Try going left, walk around that way." Yes, I said, thanks. "Or," he continued

ILLUSTRATIONS: SCOTT STANTIS

pointlessly, undaunted by my meaningful glances at my watch, "look over there—it might be just around that corner to the right."

There was something of his country in that sadly ineffectual yet touchingly helpful cabbie. Britons are decent people who try much harder to be good than to be successful. They make a sporting effort but rarely come out on top, and never expect to. They lose at cricket to small former colonies. They lose at geopolitics to a large former colony. John Bull: underachiever.

Most peoples boast and preen, often in inverse proportion to their gifts. Americans bellow and blast, God-blessing Our Great Nation three times a day before breakfast: for are we not God's gift to the universe? The Japanese, in this time of recession, may doubt their luck and their leadership, but they never doubt their specialness. The Canadians, whose culture contains nothing whatever of distinction (had any good Canadian food lately?), nonetheless manage to spend most of their time congratulating themselves for not being American.



CURIOUS, HOW THESE THIRD-RATE AND FIRST-RATE ECONOMIES SIT BESIDE EACH OTHER AS THOUGH THE LAST, SAY, 30 YEARS WERE NOTHING MORE THAN A FAD WHICH MANY BUSINESSES DID NOT HAPPEN TO GO IN FOR. BRITAIN IMPRESSES AS A PLACE DRAGGING ITSELF TOWARD MODERNITY WITH SHUDDERS OF RELUCTANCE.

Not the British. From the way they speak and write, you could imagine they have no story to tell and have done, recently, nothing. They are collectively (which is not to say individually) depressed. In a Gallup poll of 18 countries last year, the British ranked in the bottom two-thirds for satisfaction with their standard of living and their democracy—a level of unhappiness on a par with India's. What do the British want? They want to leave. Thirty-eight percent told Gallup they would rather live in another country. The British beat the Chileans and Dominicans to the exits. Only Venezuelans—Venezuelans!—are more eager to get out.

Now, I think this is peculiar. Brace yourself for a shock, but Britain is not actually a Third World hellhole. Certainly it is poorer than it should be: Its per capita GDP (in terms of purchasing-power parity, the best way to measure) is only just inside the world's top 20. Yet if you consider quality of life slightly more broadly, as the United Nations does in its human-development index, and add adult literacy and life expectancy to the standard income measures, then Britain matches Germany and only slightly trails the United States. Is that so terrible?

I recently lived for a year in London, where I worked for *The Economist* magazine as a guest writer. While I was there, I spent a lot of time thinking about Britain's boredom and depression, and about America's manic effervescence. Britain is more successful than it seems to believe. In some notable respects, it is more successful than America. Why, then, does it so palpably lack anything like America's sense of mission and magic? Because, I suspect, the British are sane, and you can be a good and decent country if you are sane, but not a great and exuberant one.

Well, so much the better for the Brits. A year with them convinced me that sanity, for all its obvious disadvantages, is perhaps not such a bad thing.

AND WOULD THAT BE...BREAD?

There is, of course, a formidable downside to good sense, reasonable ambition, and a realistic attitude toward life. To see it, stroll with me along a typical British High Street. Here, in what one supposes is a bakery, a few forlorn bready objects sigh in lumpy desolation on dusty shelves. Here is a little grocer, decently stocked but ill-lit, shabby, cheerfully oblivious to the past four decades of progress in the science of retailing; here a tumbledown fabric shop, in which the old proprietress sells bric-a-brac in bits and pieces, all of it, even the new stuff, looking used. And yet here, too, is a Tesco supermarket, a Marks & Spencer department store, a Boots drug store: cutting-edge retailers, world-class, with computerized inventories and just-in-time everything.

Curious, how these third-rate and first-rate economies sit beside each other as though the last, say, 30 years were nothing more than a fad which many businesses did not happen to go in for. Britain impresses as a place dragging itself toward modernity with shudders of reluctance. Middle-class people in Japan—the other foreign country I know fairly well—positively must have the latest gizmo. Middle-class Americans obsessively replace everything that is movable and renovate everything that is not. Middle-class Britons, by contrast, seem to regard tattiness as an inevitable feature of life.

In the modern British bathroom, the space-age principle of mixing together hot and cold water within a single spigot, thus producing a stream of adjustable temperature, is barely conquered. Americans do not even bother to name this technology, but in Britain the so-called mixer tap remains an exotic fixture. And let us not speak of showers, or the lack of them. Or of Russian-made refrigerators that try to walk across the kitchen. The plumbing-impaired, appliance-challenged British seem unconcerned by such archaisms.

Yet—here is the funny thing—Britain has one of the world's highest rates of home-computer ownership. Britons can do technology. They just seem to prefer not to.

A hundred explanations have been offered for Britain's failure to keep up economically with America and, until recently, Europe: economic mismanagement, unions' truculence, aristocratic disdain for commerce, and so on. What is harder to explain is Britons' acceptance of failure, as though it would be churlish to want better. But then, they accept a great deal.

My sports club in London once formed a daring plan: open for business on Sundays. It applied for permission from the local governing council. Hearings were scheduled, boards notified, and procedures initiated; and, in due course, a neighborhood lobby laid in an objection. Too noisy, it said: The club's music might shatter the Sunday calm. At first, that did not seem an insurmountable problem. The club volunteered to play no music on Sundays. It would enfold itself in sepulchral silence.

Not enough! cried the neighborhood group, which by now was enjoying its ill humor. Thus an official noise investigation was deemed necessary before Sunday permission could be granted. But the officials in question determined that they could not conduct a noise investigation until there was a specific complaint to investigate. Unfortunately, there was no such complaint, because there was in fact no noise problem to begin with.

Every month or so, I would ask the club manager, "Any chance of Sunday hours yet?" He would always say something like, "We have another hearing in two months." To get Sunday-opening approval took a year's pleading.

WAKE UP AND DREAM

I tell that tale not because red tape and arbitrary restraint of commerce are unique to Britain. Far from it: If anything is universal, it is the bureaucratic runaround. The interesting thing, rather, is that such tales are so often recited by the British in a tone of defeated resignation or stoic amusement, as though one could expect no better. Presented with an obstacle to greed, Americans are amazed and enraged, Japanese doubly industrious. Britons are more likely to shrug.

As the Germans and some other people have learned to their displeasure, Britons respond with stubborn ferocity when confronted with a head-on assault. On the other hand, their attitude toward daily life is annoyingly passive. They prefer waiting for a challenge to making one. Scratch an ordinary American, and you find a man with a dream, a scheme, a plan. He will save the world or get filthy rich or, usually, both. Generally, of course, his scheme is crackers, but isn't that part of the fun? Ordinary Britons, by contrast, prefer to go from one day to the next. This is not to say that some of them, indeed many of them, do not dream grandly and scheme absurdly. But the schemer, as a type, is not an icon; the survivor is.

Grandiose daydreaming is silly. It is also economically indispensable. Look around the world. In Hong Kong and China and Hollywood and Silicon Valley, entrepreneurial vigor is the generator of cultural energy. Now, it is true that the Victorians were fantastically energetic. No society ever achieved so much, so quickly, as they. But their achievers were an elite class which crumbled. In today's world, it is the extraordinary dreams of ordinary people that make societies sparkle. The raw greed of the man in the street is today's grand engine of social progress.

Americans both adulate and abhor the businessman who is wildly successful, and thus brilliantly greedy: Bill Gates is both dazzling innovator and fiendish monopolist, Sam Walton both retailing genius and downtown destroyer. The British, for all of the Labour Party's class-warfare rhetoric, seem rather bored with tycoons. Brilliant businessmen either exist or they do not; where they come from is not particularly interesting, and where they arrive not wildly enviable. Has Rupert Battleax become chairman of Glaxo? Yawn. That's nice. Ah, but he has also been created Baronet of Frognal—now that is impressive! *Sir* Rupert, to you! This, a great many Britons notice and care about.

I exaggerate, but to make a point. To me, that a grown person in 1996 might in all seriousness go about calling himself Lord So-and-So is vaguely pitiable. That it goes on today says something, I believe, about the misapplication of British greed. Personally, I have more use, and thus more esteem, for a plumber than for a duke, and still more esteem for the plumber who becomes a big plumbing contractor and then diversifies into real estate. Whereas, according to opinion surveys, the British rank entrepreneurs no higher than plumbers as contributors to society. A very sorry regard, when you consider the state of British plumbing. Indeed, the low state of British plumbing and the low status of British entrepreneur-

ship may have something to do with each other.

Whatever else she got wrong, I think, Mrs. Thatcher was right about this: What Britain needs is visionary greed. But then, she is Baroness Thatcher now. *Lady* T., to you.

MAD UNCLE SAM

Well, enough finger-wagging. The British do all right. They have strong and decent core values, and maintain them without the bluster and insecurity of Americans. British politicians are honest enough so that scandals are typically about sex rather than money (of how many countries can that be said?). Notwithstanding the soccer yobs, domestic peace and tranquillity generally prevail. The crime rate has risen, but most people are physically quite safe. There is nothing like the routine savagery of America.

THE BRITISH SEEM RATHER BORED WITH TYCOONS. BRILLIANT BUSINESSMEN EITHER EXIST OR THEY DO NOT; WHERE THEY COME FROM IS NOT INTERESTING, AND WHERE THEY ARRIVE NOT WILDLY ENVIABLE. HAS RUPERT BATTLEAX BECOME CHAIRMAN OF GLAXO? YAWN. AH, BUT HE HAS ALSO BEEN CREATED BARONET OF FROGNAL— NOW THAT IS IMPRESSIVE!

Something else is greatly to be prized: From an American's point of view, race relations, specifically black-white relations, are enviable. Not perfect, certainly, but better, by a long shot, than in America, which is supposed to be a melting pot but which cannot, and may never, retire its racial debts. One does not feel, in Britain, that blacks and whites speak past each other across a cultural divide that deepens even as it narrows. One does not feel that every conflict between a black party and a white one must sooner or later erupt into molten insinuations about race. Britons manage to be remarkably tolerant, and what is even nicer is that they do it with so little fuss. They do not make a fetish of "multiculturalism" and "diversity" and the rest of the sensitivity industry. They just get on with getting along.

That comes from what is worst but also ultimately best about them. The Brits put one foot ahead of the other. It is true that they are not disposed to dream and scheme; that is why their culture is so terminally dull and pervasively mediocre. But they also are not lunatic. And there is something to be said, in the end, for not being lunatic.

American culture is vibrant because it is mad. Possessed of a good idea or a worthy impulse, Americans invariably drive it to ludicrous extremes, until it breaks down, runs out of control, or curdles to toxicity. We are a people dedicated to the proposition that any sound idea can be transformed into dangerous craziness, if one only tries a bit.

Should justice be scrupulously fair? Then let there be the O.J. Simpson circus. Should youth aspire to fly? Then put a 7-year-old in the cockpit. Should biodiversity be preserved and the handicapped helped? Then let the law say that not a single species may ever be allowed to die off, and not a single theater seat or city bus or public toilet may be inaccessible to wheelchairs. Should women be accorded equality and respect? Then proclaim that to kiss without asking is rape, and turn eye-color compliments into "workplace harassment." Is self-defense a worthy right? Then let everyone own semi-automatic rifles and buy handguns by the carton, preferably through the mail. Is ethnic sensitivity a good thing? Then scour the language to get rid of all such words as *gyp* and *welsh*. Should people be free, high-spirited, pious? Then let them also be libertine, wanton, cultist.

In America, nothing is finished until it has been rendered absurd. Show an American an interesting idea, and he runs away waving it and touting it and wearing it on his head till you only wish he would, for God's sake, drop dead. America is a land of dreams, and also of dreams run amok. That is why, so often, American wackos are not mere crazies, but crazies in the grip of a theory. The cultist David Koresh with his millenarian ravings, the terrorist Unabomber with his 30,000 word Luddite Theory of Everything, the right-wing "militiaman" who rails against infernal United Nations conspiracies: What makes them so distinctively American is not their dangerous nuttery, but their devotion to some not altogether crazy idea pushed far around the bend.

DULL JOHN BULL

The Japanese are not besotted with theories or driven to every extreme in the American fashion, but they are a bit crazy too. Groups of them will do any conceivable mad thing, so long as they do it together: anything for the team. Every so often, the newspapers turn up something like the Japanese elementary school that requires its students to go naked in the snow, the better to toughen them up. One thinks of Japan and America as opposites, but they are alike in their penchant for weirdness.

The British, by contrast, have about them a quality of flat-footed, truculent empiricism which makes it quite difficult to convince them of anything very stupid. Show them an edge, and they instinctively recoil. Largely as a result, their culture lacks sizzle. Although London is a newspaper town without peer, the British intellectual press, such as it is, is flaccid and lazy. The BBC is a wasteland of mediocrity and tedium, occa-

sionally enlivened by bursts of mediocrity and pretension. Even when American television is ditzy or vulgar, which is often, it understands that its job is to tickle the eye and to entertain, whereas the BBC's theory is that TV is radio with pictures attached.

British cinema lacks passion on the one hand and entertainment value on the other. West End theater, though admirable in its catholicity, has traded much of its former adventurousness for a slick proficiency akin to Broadway's, but without Broadway's past-jewel dazzle. London is a big and important city, but by the side of New York or L.A. (or Tokyo) it has the feeling of a slowpoke: Except arguably in finance, it is rarely at the cutting edge. Culturally, Britain resolutely refuses to fizz.

And that, you see, is because Britain is not insane. It does offer, I admit, the odd bit of agreeably crazy news. There is the occasional murderous middle-class couple burying cut-up corpses in the basement, and the odd monster sighted on Bodmin Moor (a pussycat, as it so Britishly turned out to be); and, it must be said, the British do a sex scandal with panache. There is mad-cow disease.

But try to imagine a British Unabomber, or a British David Koresh, or a British Jim Jones (the preacher who, in 1978, led his followers to mass suicide in the jungle of Guyana). A mad-scientist politician like Newt Gingrich, drunk on his own theories of history, or a cornpone egomaniac like Ross Perot, drunk on himself, finds no quarter in Britain. Screaming Lord Sutch, the leader of Britain's Monster Raving Loony Party (which actually beat the dismal Tories in a by-election last year), basically has his wits about him. Even the Labour Party is reverting to sanity, for lack of anything better to do. You say Lady Thatcher was idea-obsessed and contemptuous of limits? Yes, but look what happened to her. The gray suits swallowed her whole.

THE FOUNTAIN OF MIDDLE AGE

I have never been a big believer in character as the root of national difference. Across borders, people, I have always thought, differ much less than the regimes—the governments, policies, and institutions—which they live under. Britain stands as something of a rebuke to that belief. Institutionally, it looks more like America than does almost anyplace else. Under the Tories, its economic and social policies are much like ours. Yet every day I became more keenly conscious of a cultural gulf between them and us. And the main source of that differentness is simply that most ordinary Britons, faced with an array of options, will instinctively draw back from the more extreme ones, whereas a sizable minority of Americans will go for broke.

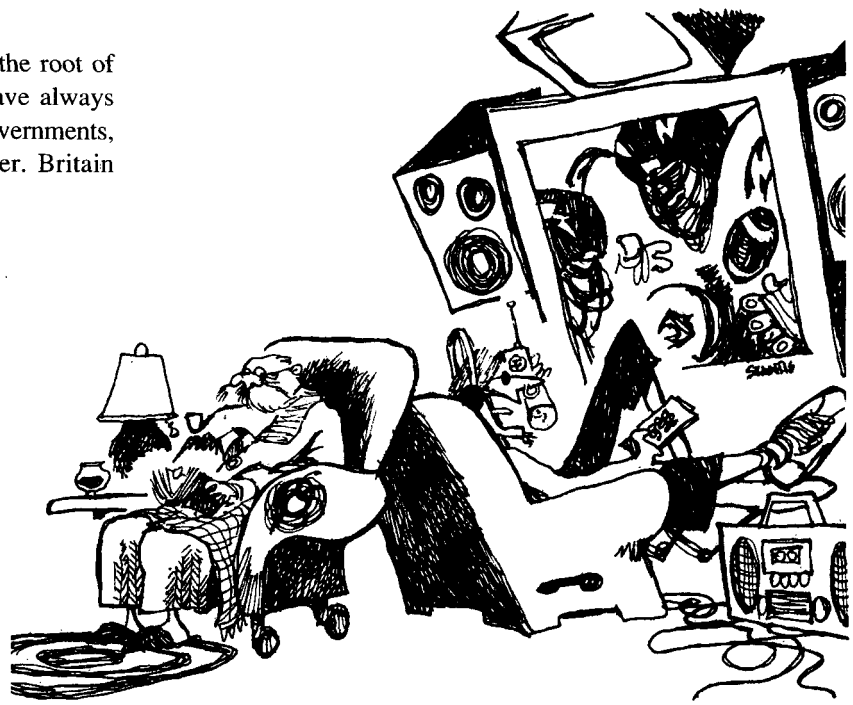
So the British do not build Microsoft or Apple or whatever. They do not have Hollywood and Las Vegas. They also do not call themselves "Freemen," hole themselves up in a Montana ranch house, and declare themselves at war with the FBI and, come to think of it, the whole damn world.

They reap some benefits in this bargain. Liberty-obsessed Americans preach endlessly about freedom and rights. Yet, at the level of individuals and everyday life, it is the British who are more likely to leave smokers, atheists, and witches in peace, provided such deviants do no harm. The Brits do not rush to view the odd racist or flag-burner as an intolerable social threat, any more than they rush to make him a messiah or a self-help best-seller. They do not shoot abortion doctors or yell about school prayer. They understand, certainly better than we, that moral disapproval need not always be expressed in terms of moral outrage.

God knows, they can be silly and run over the top, especially where royalty and animals are concerned. But they are embarrassed by such excesses. Whereas recently, when the Texas attorney general announced that "history will record the modern-day tobacco industry alongside the worst of civilization's evil empires," he seemed innocent of any inkling that he was ludicrous.

Setting America's teeming madness beside Britain's muttering mundaneness, I could not help wondering whether the British may not, in the end, have made the safer deal. Which is not to say—heaven forbid!—that I would want to be British. I am not even sure, in the end, that I would like to see Americans tone down some of their crazier outrages, because that would probably mean also toning down American exuberance. The whole world benefits by having a very large, very free, and quite mad country smack in the middle of it. Whatever experiments humanity needs to try, it can try here. I feel middle-aged in Britain. In America, I feel young. ®

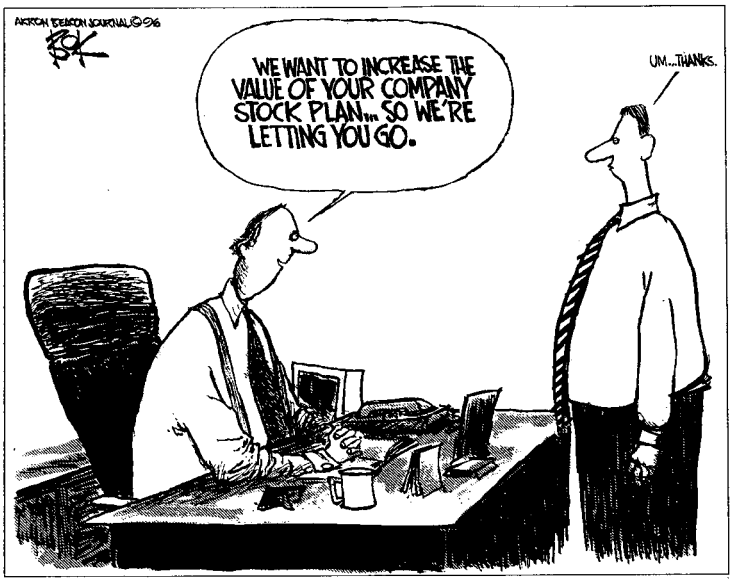
Jonathan Rauch's most recent book is Demosclerosis: The Silent Killer of American Government *(Times Books, 1994).*



Reich and Responsibility

By John Hood

Business bashing gets serious.



I KNEW IT WOULD HAPPEN. I even knew who would do it. But when Labor Secretary Robert Reich began to cite Bill Bennett and Charlton Heston in his campaign for "corporate responsibility" earlier this year, my prescience was no comfort.

Bennett and Heston, you may recall, led a successful campaign last year to encourage Time Warner to distance itself from some controversial rap artists on the basis that no "responsible" corporation would associate its name with such filth. Heston even read the lyrics of one rap "song" to embarrassed Time Warner directors with an extravagant flourish, creating some of the most entertaining sound bites of recent memory.

In fairness, Bennett and Heston never called for government action. Their chosen means of affecting corporate decision making were boycott threats and public shaming, both perfectly acceptable modes of discourse in a free society. But by citing the concept that corporations have social responsibilities beyond those of satisfying shareholder demands, conservative critics of sex and violence in the media unwittingly cracked a door through which Secretary Reich, with characteristic marketing savvy, subsequently drove his bulldozer.

"Do companies have obligations beyond the bottom line?" he asked at a February speech at George Washington University. "Even some of the most orthodox defenders of the free market have said that movie studios, record companies, and television networks should foreswear lewdness and violence, although pandering to audiences' baser appetites would yield rich profits. The profit principle, it seems, is something short of absolute. What, then, about a corporation's duty to its employees, their families, and the communities in which they live? Might not the sudden loss of a paycheck be at least as damaging to family values as a titillating screen performance?"

Of course, if Reich really wanted to emulate conservative media critics, he would argue for voluntary boycotts of irresponsible corporations. But the agenda he shares with like-minded members of Congress and union activists is far more ambitious. By manipulating federal regulations and the tax code, Reich and his allies want nothing less than to instigate an elaborate system of government control over corporate decisions.

The centerpiece of this agenda would be the creation of a new category of business enterprises called "A-Corporations" that would receive special tax and regulatory treatment by meeting certain standards of responsible corporate behavior, such as:

- The corporation must contribute at least 3 percent of payroll to retirement plans for workers.
- It must spend at least 2 percent of payroll for training or education of Americans in its employ.
- It must offer a standard health insurance plan (designed by the National Association of Insurance Commissioners) to all its U.S. workers.
- It must operate an employee profit-sharing or stock-option plan in which at least half of all employees participate.
- It must provide compensation to its CEO that is no more than 50 times the compensation provided to its lowest-paid full-time worker.
- It must spend at least half its R&D budget in the United States.
- At least 90 percent of its investment in plant, equipment, and employment used for the production and delivery of goods and services consumed in the United States must occur in the United States.
- Lastly, and most bizarrely, an A-Corp must "belong to and pay significant dues to" a trade association certified by the U.S. Department of Commerce.

THE A-CORP PLAN, DEVISED BY SEN. JEFF Bingaman (D-N.M.) and supported by Democratic House and Senate leaders, is a free marketeer's worst nightmare come true—government planning of virtually every significant corporate decision. Of course, Reich and other advocates deny that this is their intent. No firm would be required to become an A-Corp, they explain. Instead, A-Corporations would qualify for lower corporate tax

CHIP BOK

rates, faster treatment from federal regulatory agencies, and exemption from some regulatory requirements altogether. In other words, firms would be "encouraged" to comply with the new rules by being forced to pay higher taxes and receiving punitive treatment by government regulators until they do so.

Reich compares the favorable treatment of officially responsible corporations to current tax exemptions or benefits for charitable organizations, partnerships, and proprietorships. "The corporation is, remember, a creation of law," he told his GWU audience. "It does not exist in nature." In return for the special privileges that government grants corporations, such as limited liability and unlimited longevity, it is only reasonable to ask corporations to be "more accountable for the social costs and benefits of economic change," said Reich.

Those of us who, in the secretary's words, "worship at the altar of the free market" would be wise to consider carefully this argument about the special nature of the corporation before addressing the potential consequences of government-imposed corporate responsibility. It is true, for example, that the corporation was originally created by governments to accomplish governmental, not private, ends. The first joint-stock corporations were chartered by England, France, and Holland to explore the New World and found colonies in the name of the sovereign. After the American Revolution, states began to charter corporations, but they were granted exclusively to enterprises that fulfilled "public purposes." For example, the first state corporate charter, enacted by North Carolina, authorized incorporation only for the purpose of constructing bridges and turnpikes.

It was interstate competition that, throughout the 19th century, encouraged legislatures to gradually liberalize their incorporation statutes to the point that private individuals could organize corporations purely for private purposes. Each state wanted to host the large business enterprises in such fields as transportation and manufacturing that new technology and economic freedom had allowed entrepreneurs to create. Thus states had an incentive to develop corporate codes that encouraged the greatest amount of investment and economic activity.

The result, as University of Illinois legal scholar Stephen Bainbridge and others convincingly argue, was not a special government "favor" for which the shareholders of corporations owed government special duties. Instead, the private, profit-seeking corporation became a default form of legally codified business organization, much like a standard-form sales contract, from which willing parties could deviate by mutual consent. Limited liability, after all, serves the interests of creditors or potential plaintiffs as well as those of shareholders. Under a legal regime that required all business to be conducted under strict personal liability, few people would be willing to become shareholders. In such a world, large-scale businesses would likely be highly leveraged and involve little equity capital, making recovery of claims exceedingly difficult. "Limited liability is less a social subsidy than a social contract supported by consideration," Bainbridge concludes.

OF COURSE, EVEN IF ONE WERE TO CONclude otherwise, that doing business in corporate form is a government favor that confers social responsibilities, the rules that Reich and like-minded congressional advocates of the A-Corp would impose are inane. Mandating that a certain percentage of corporate payrolls be devoted to training or retirement plans simply denies employees the choice of where and how to obtain these goods. Only formal company-provided training could be so measured, ignoring the value of on-the-job training that does not exist as a separate expenditure. And, some workers might rather take their training subsidy in the form of higher wages with which to obtain needed skills from other institutions (particularly if they are planning to change employers or occupations) or might prefer to make their own investments for retirement rather than have to accept those approved by company plans.

The protectionist aspect of the A-Corp plan is also problematic. It is by no means clear that "average Americans" would benefit if the government were to browbeat firms to spend more research dollars or build more plants in the United States. If the best judgment of corporate managers is that such expenditures would be more efficiently made abroad, then American consumers benefit from better, lower-priced products and American families with pensions, 401(k)s, IRAs, and college savings benefit from higher investment returns.

The idea of "encouraging" corporate social responsibility through federal tax and regulatory prods may sound bizarre, but Reich is clever and his timing is astute. In this election year when the phony but often-voiced concern about economic insecurity has many politicians scrambling to endorse something to help "working families," legislation imposing responsibilities on corporations may become a popular cause, especially since it doesn't involve direct federal expenditures.

Furthermore, the media's incessant bashing of current economic performance and its unwillingness to seriously discuss the benefits that free enterprise confers on society at large has led to increasing public suspicion of corporate America. Even during the midst of the Great Depression, for example, public opinion surveys showed that most Americans thought their interests and the interests of corporations were similar. But since the 1970s, respondents have more often said that their interests are opposed to those of corporations. It is this reservoir of suspicion that Reich and other corporate bashers seek to tap. Friends of the free market and the profit-seeking corporation must find a way to drain it. ®

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Minimum Standards

By James K. Glassman

A compassionate alternative to raising the minimum wage

RAISING THE MINIMUM wage—or having one at all—is an idea that divides public opinion from social science. Economists aren't certain about many things, but on the minimum wage, most of them believe the case is open and shut. Other things being equal, if you raise the price of something (for instance, labor), then the demand for it (for instance, by employers) will decline. That's not just a theory; it's a law.

Hiking the minimum wage hurts the very people it is supposed to help—those low-skilled workers whose labor is worth only $4.25, not $5.15. Businesses have choices. They'll replace these workers with machines or with fewer but more skilled employees (whose wages aren't controlled by the government), or they'll buy their labor abroad.

Even textbooks written by such appointees of the Clinton administration as Alan Blinder and Joseph Stiglitz tell college freshmen this simple truth. Robert Shapiro of the Progressive Policy Institute, a centrist Democratic think tank, has concluded that "an increased minimum wage often takes from the poor to help the middle class." Liberals Robert Heilbroner and Lester Thurow admit that the minimum wage "may cause...people to lose their jobs." So it's no surprise that a 1993 survey found that 77 percent of the 22,000 members of the American Economics Association believe a higher minimum wage reduces employment. Unfortunately, however, surveys of the public find similar proportions in favor of a higher minimum wage. Why? Probably because the public simply sees benefits and not costs. But the costs are profound, not merely in lost jobs but in lost liberties.

Of course, if you're cynical—and, believe it or not, many politicians are—it's possible to acknowledge (tacitly) the unemployment effects of the minimum wage but still support an increase in it. One reason is that backing a higher wage makes you look "compassionate." Another is that a higher minimum wage helps unions, which typically represent skilled workers. When the minimum wage is low enough, businesses can resist pressure for higher pay from unions and hire more low-skilled workers and train them on the job. So, "passage of a minimum wage law reduces the competition faced by union members," writes Linda Gorman in the *Fortune Encyclopedia of Economics*.

THE LINE FROM MINIMUM-WAGE ADVOcates is that hardly anyone can live on $4.25 an hour. But, then, hardly anyone does. According to the Bureau of Labor Statistics, 37 percent of minimum-wage workers in 1995 were teenagers, most probably living at home, and 59 percent were age 24 or younger. Two-thirds of minimum wage earners work part-time. And, in a work force of about 120 million, just 22,000 men and 191,000 women maintained families with a minimum-wage job.

While the economic case against raising the minimum wage is clear and convincing, the moral case is even more forceful—and completely ignored in Washington. That's particularly ironic because Washington was the site of the first big court decision on the subject. In 1923, the city adopted one of the earliest local minimum-wage laws. One immediate consequence was that Children's Hospital fired a group of women workers whom it could no longer afford. The women sued to overturn the law, and won.

The U.S. Supreme Court ruled that the government-mandated wage infringed on the right of individuals to determine the price at which they would sell their labor. It was unconstitutional, the Court said, for the state to interpose itself between an employer and employee who are engaging in a free and private transaction.

The Court has since changed its mind, and the United States has had a federal minimum wage since it was set at 25 cents an hour in 1938. Ever rising and ever broadening, it is now $4.25 and applies to 87 percent of the work force. "Minimum wages," wrote Michael Prowse recently in the *Financial Times*, "are the kind of dictatorial measure that one expects in a totalitarian society." Correct, but so far I haven't heard one member of Congress make that argument.

Some workers have so few skills that their value to employers is less than $5.15 an hour, the minimum wage proposed by Bill Clinton. But those workers are being told by the government: "You are not allowed to work. You're condemned to unemployment for the rest of your life—or until inflation diminishes the value of $5.15 sufficiently." These low-skilled

HENRY PAYNE

workers could, of course, acquire enough skills to merit employment at $5.15—but the most likely venue for that education is the job itself. At $4.25, an employer might find such a worker worth training—to pull him up to $5.15 or well beyond. But at $5.15? Perhaps not.

Conservative politicians object to a higher minimum wage because it hurts restaurants and other employers of low earners. Raising the floor would cut the profits of these businesses, we're told. That's true. To achieve the social goal of a "livable wage" (even for teenagers living with their parents), the state confiscates the assets of certain employers and forces them to give those assets to certain employees. But a fast-food restaurant has alternatives: It can buy machines, shorten its hours, perhaps even raise its prices (though this is a doubtful proposition since prices are determined, not by costs, but by supply and demand; if a restaurant could charge more for a hamburger, it would be doing so already, whatever the minimum wage).

Low-skilled individuals have no such choices. They're the victims—as the 1923 suit against Children's Hospital (an event of a happier time, when courts had more respect for the economic liberties of law-abiding citizens) shows so clearly. That's why many economists oppose the minimum wage with so much passion. The late George Stigler called Michael Dukakis's support for a minimum-wage boost during the 1988 presidential campaign "despicable." And Finis Welch, a labor economist at Texas A&M, says the minimum wage is "one of the cruelest constructs of an often cruel society."

Labor Secretary Robert Reich, Sen. Edward Kennedy (D-Mass.), Rep. David Bonior (D-Mich.), and their cohorts see the source of the cruelty differently. To them, a cruel society is one that allows any of its members to make just $4.25 an hour. But the solution, it seems to me, is not to raise the minimum wage. Instead, we should allow low earners the chance to keep more of what they earn. Let's eliminate the minimum wage entirely and also eliminate the payroll tax on anyone who makes less than, say, $6.00 an hour.

The tax totals 15.3 percent, and it's paid on the first dollar of wages. Talk about cruel! The government forces a young worker, just starting out and making $10,000 a year, to transfer $1,500 to a retiree who may be perfectly well off. Even worse, the retiree may have contributed only a pittance to Social Security over his lifetime while, at the rate we're going, the young worker will probably never receive any benefits at all.

Of the 15.3 percent, employee and employer each pay half. So a worker who now makes the minimum wage actually takes home just $3.92 while he costs the business that employs him $4.58. If we eliminate the payroll tax on low earners, wages should rise to $4.58—since that is already the cost to the business. Therefore, the minimum-wage worker would get a raise, in his pocket, from $3.92 to $4.58; that's 17 percent. By contrast, the Clinton minimum wage would give the worker an in-pocket increase of 21 percent—not much higher than my end-the-payroll-tax plan, which has the advantage of actually keeping minimum-wage workers employed.

The Clinton plan would jack up costs to employers from $4.58 an hour to $5.54. My plan would not raise them at all. Which one will lead to more employment? Or less unemployment? The answer is obvious.

Yes, the government would not collect as much revenue. My strong preference is to meet the shortfall with spending cuts. But even raising taxes is much fairer than a minimum-wage increase. The burden would be shared by all Americans, rather than borne only by the low-skilled and their employers. Everyone would get to practice "compassion"—instead of just those who lose their jobs or are commanded by the government to pay higher wages than their employees are worth. R

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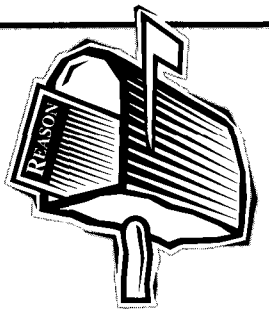

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Affirmative Agony

By Robert R. Detlefsen

In Defense of Affirmative Action, by Barbara R. Bergmann, New York: Basic Books, 213 pages, $23.00

The Affirmative Action Fraud: Can We Restore the Civil Rights Vision?, by Clint Bolick, Washington, D.C.: Cato Institute, 170 pages, $19.95

Ending Affirmative Action: The Case for Colorblind Justice, by Terry Eastland, New York: Basic Books, 229 pages, $23.00

Terry Eastland: He breaks new ground in his analysis of the nexus between affirmative action and immigration. Now cultural assimilation means telling some immigrants they are entitled to special benefits because of their race.

THE PERSISTENCE OF AFFIRMATIVE action through nearly three decades must be puzzling to supporters and opponents alike. Media reports of a sudden backlash against affirmative action by "angry white males" notwithstanding, opinion surveys taken over the years show broadly based opposition to preferences based on race and sex, encompassing large majorities of white women as well as pluralities of blacks and Hispanics. Nor is widespread opposition to affirmative action new; survey data show that Americans have been uncomfortable with preferential affirmative action policies since their inception during the first Nixon administration.

The protracted controversy over affirmative action has inspired a burgeoning literature nearly as ubiquitous as affirmative action itself. Reading the latest contributions by Clint Bolick, Terry Eastland, and Barbara Bergmann, it is hard to believe that more than 20 years have passed since the publication of Nathan Glazer's seminal critique, *Affirmative Discrimination: Ethnic Inequality and Public Policy.* Back then, affirmative action seemed unlikely to survive the combined effect of popular antipathy and the powerful arguments leveled against it by Glazer. Yet the affirmative action regime has flourished, and new books keep coming. Today the challenge for those writing about affirmative action is to contribute something original to what seems an eternal debate.

Both Bolick and Eastland meet this test. Both rehearse the history of affirmative action, emphasizing how affirmative action was swiftly transformed from a campaign to encourage blacks to avail themselves of the equal opportunity promised by recently enacted federal civil rights legislation. Instead, affirmative action rapidly became a bureaucratically and judicially administered system to ensure statistical parity among racial and ethnic groups, and between the sexes, in the workplace, higher education, and government contracting. Antidiscrimination law has come to regard any imbalance among groups as prima facie evidence of illegal discrimination. Affirmative action thus entailed an entirely new understanding of civil rights, according to which intentional discrimination against an individual belonging to an overrepresented group (in most contexts, whites or males, but also, and increasingly, Asians) is permitted, and often required, to combat "discrimination"—now defined as unequal outcomes among groups.

THIS MUCH IS BY NOW FAMILIAR TO MOST readers. But Clint Bolick updates the story by exploring the civil rights record of the Clinton administration—a matter that has received little coverage in the mainstream press. The aborted nomination of Lani Guinier in 1993 to head the Justice Department's civil rights division was merely a temporary detour for an administration that "has been the most quota-driven in history." After posing as a centrist Democrat during the election campaign (remember his ostentatious denunciation of Sister Souljah's call for black-on-white violence?), and railing against "bean counters and quota games" shortly after his election, President Clinton handed over the entire federal civil rights enforcement apparatus to appointees from a virtual "roll call of establishment civil rights groups," writes Bolick. As a result, the agenda of this powerful special interest lobby has been aggressively pursued by the Justice Department, the Equal Employment Opportunity Commission, the Department of Education's Office for Civil Rights (OCR), the Department of Housing and Urban Development, and the U.S. Commission on Civil Rights.

If nothing else, the record of these activists turned government officials demonstrates the lengths to which affirmative action doctrine can be taken. OCR Director Norma Cantu ordered an investigation of Ohio's high school proficiency exam when she learned that a third of the 2.6 percent of graduating seniors who had failed the exam were black. Notwithstanding an earlier federal court ruling that the exam was free of racial bias, Cantu was determined to use her authority to rid Ohio—and presumably other states—of achievement tests that yield disparate out-

comes among racial groups.

Meanwhile, Assistant Attorney General for Civil Rights Deval Patrick has been busily inducing "voluntary" settlements of civil rights violations that involve nothing more than failing to maintain group parity in an employer's work force. Early last year, Patrick demanded that the city of Fullerton, California, sign a consent decree requiring it to produce a 44.3 percent minority applicant pool, including 9.1 percent blacks, in a city whose minority population is 37 percent minority and 1.9 percent black—despite the fact that the city had received no individual claims of discrimination.

Bolick describes how Chevy Chase Savings and Loan became the victim of similar machinations. Patrick conjured up a lending discrimination suit against the bank on the grounds that it operated an insufficient number of branch offices in minority-dominated census tracts. He was thus able to coerce Chevy Chase officials, who could obviously do without the negative publicity associated with a federal discrimination complaint, into agreeing "not only to open new branches, but also to adopt hiring quotas, approve loans for blacks at below-market rates, provide grants to cover down payments, and advertise in minority-owned media outlets, including 'at least 960 column inches' of advertisements in black-targeted newspapers."

Patrick's zealotry regarding affirmative action is clearest in his behavior in the case of *United States v. Board of Education of Piscataway*. Faced with a budget shortfall, the Piscataway, New Jersey, school board was forced to lay off one of two teachers with equal seniority. Ordinarily such dilemmas were resolved by a coin flip, but this time the board decided to lay off Sharon Taxman, who is white, in order to retain the other teacher, a black woman. In a letter to Taxman, the board explained that it acted as it did in the interest of diversity.

Having inherited the case from the Bush administration, the Clinton Justice Department successfully prosecuted it on Taxman's behalf. But by the time the Piscataway school board had filed its appeal, Patrick had assumed his post as assistant attorney general for civil rights. On the appeal, he took the extraordinary step of reversing the government's position in the case, this time siding with the school board and arguing for the reversal of a decision that had been won by his own administration. The case is still pending.

THE IMPLICATIONS OF THE PISCATAWAY case, so emblematic of the state of affirmative action today, are searchingly analyzed by Terry Eastland. He notes that the school board's defense of its action rests on its desire not to remedy alleged past discrimination, but to preserve racial diversity in a department that had one black teacher (never mind that black teachers were statistically overrepresented in the school district as a whole).

"Potentially," Eastland quotes from Patrick's brief, "the same interest in faculty diversity could tip the balance in favor of a white teacher if the composition of a department would otherwise have included no white teacher." President Clinton endorsed the Patrick brief, adding that if "there were only one white teacher on the faculty in a certain area," it would be appropriate for the school board to "keep the white teacher also to preserve racial diversity."

It is hard to see this as anything other than a cynical ploy to make affirmative action more palatable to whites by implying that they, too, could conceivably receive preferential treatment. With brutal candor, Eastland divines the true meaning of Clinton's remark: "'Keep the white teacher' means 'lay off the black teacher because the black teacher is black.' It could mean laying off a Hispanic teacher because the Hispanic teacher is Hispanic. And so on." And Clinton would do this, Eastland reminds us, in the name of Title VII of the 1964 Civil Rights Act, which was meant to protect individuals from precisely this kind of discrimination.

Eastland breaks new ground in his analysis of the nexus between affirmative action and immigration. Proponents of affirmative action are forever trumpeting the advent of a multi-ethnic, multi-racial America as evidence of the need for more "institutional diversity," and hence more affirmative action. But Eastland shows that the large-scale non-white immigration the United States has experienced in recent decades only strengthens the case for colorblind law. "Most legal immigrants who possess the necessary race or ethnicity are in theory eligible for most affirmative action programs," Eastland writes. Thus, those programs "prefer immigrants over native-born citizens" and "extend a benefit to some immigrants that is not available to others."

Immigrants benefit from affirmative action because hiring and promoting immigrants "of color" is an effective way for private employers to get around the thorny problem of disparate impact—the principle that a work force whose racial composition differs from the population from which you hire is proof that you are discriminating illegally. Businesses that contract with the federal government are automatically subject to government-mandated numerical goals, and these, too, can be met through the hiring and promotion of immigrants.

Of course, not all immigrants will benefit from affirmative action, but its existence is likely to affect every immigrant's

FRED BERGMANN

Barbara Bergmann: A fervent supporter of affirmative action, she never describes specifically when we could say that affirmative action has achieved its goal or even what that goal is.

Clint Bolick: Though he presents a powerful critique of affirmative action, he feels that "those who challenge current policies" are obliged to "suggest constructive alternatives."

perception of his adopted country. "Cultural assimilation" once referred to the informal processes by which immigrants came to understand and appreciate concepts such as individual rights and personal responsibility. With affirmative action, cultural assimilation means telling newly arrived immigrants that they are entitled to special benefits merely because of their membership in a designated group.

BOTH BOLICK AND EASTLAND DENY THAT affirmative action can be reformed; it must be ended. The burden of Barbara Bergmann's *In Defense of Affirmative Action* is to show that affirmative action is an indispensable corrective to the unfairness and social strife endemic in American life. Thus, while Eastland worries about the proliferation of groups eligible for affirmative action, Bergmann would extend preferences to still more groups. For example, a goal for hiring lawyers of Irish or Jewish ancestry would be desirable for a New England law firm that has "no partners or associates of Irish or Jewish extraction."

But Bergmann gives no indication of *how many* Jews or Irishmen would be enough. She never describes specifically when we could say that affirmative action has achieved its goal or even what that goal is. When Bergmann announces that "over-the-road truck driving" is highly segregated by sex, she doesn't say what proportion of truckers would need to be female for her to consider long-haul trucking to be desegregated. Would, say, 10 percent female representation be enough, or would our goal be as high as 51 percent? Thus her definition of affirmative action is vague and open-ended: "Affirmative action is planning and acting to end the absence of certain kinds of people —those who belong to groups that have been subordinated or left out—from certain jobs and schools." Or even more preposterously: "Drawing up goals for an affirmative action plan is the equivalent of saying that we want to end the tradition of giving white males as much pie as they want at the expense of all other groups."

As is so often the case, tendentious definitions presage a biased presentation of evidence. Bergmann draws sweeping conclusions based on little more than her personal observations and impressions, and those of her friends. Thus, when she notices while dining in a fancy restaurant that all of the waiters appear to be white men, she infers that blacks and women are "excluded" from the wait staffs of the nation's upscale restaurants.

Bergmann also seems blissfully unaware of how affirmative action actually works. She never mentions race-norming, or the disparate impact theory of discrimination, or *Griggs v. Duke Power*, the landmark Supreme Court case that wrote disparate impact into Title VII law. In a book about affirmative action, these are egregious omissions. Disparate impact reasoning has subordinated objective, merit-based criteria to considerations of race and sex, and has been the focal point of much of the recent debate over affirmative action (as in the dozens of reverse discrimination lawsuits brought against police and fire departments)..

Bergmann offers a tediously familiar defense of affirmative action in college admissions: that a preference based on race or ethnicity is no different from a preference based on athletic ability, geographic origin, or alumni parentage. If affirmative action's critics are truly dedicated to merit above all else, then they should also protest, with equal vehemence, these other types of preferential treatment. In fact, she writes, "nobody seems to care very much. Only race seems to resonate." Precisely. Bergmann seems to think that she has uncovered blatant hypocrisy, but she has really exposed her own indifference to what was supposed to be the animating principle of the civil rights movement.

Simply put, the movement taught that race and ethnicity were singularly inappropriate bases upon which to allocate social goods. It succeeded because it managed to persuade people that, whatever other criteria are used to decide individuals' fate, the use of race and ethnicity is categorically pernicious and wrong. Jettison that belief, and one could just as easily take the position that we shouldn't worry about discrimination against minorities and women until other forms of discrimination are halted. As soon as our willingness to condemn race and sex discrimination becomes contingent upon the particular race or sex to which the victim belongs, then pious rhetoric about the "evil of discrimination" can no longer be taken seriously. Bergmann's book demonstrates this clearly.

EVEN THE CRITICS OF AFFIRMATIVE ACTION don't always embrace colorblind justice as sufficient. Bolick himself, after having made an incontrovertible case for ending affirmative action, feels nevertheless that "those who challenge current policies" are obliged to "suggest constructive alternatives." Thus for Bolick, "empowerment—the removal of barriers to opportunities that prevent individuals from controlling their destinies—represents the ultimate accomplishment of civil rights." Empowerment, thus defined, turns out to be the provision of vouchers to poor parents so that they may enroll their children in private schools, and the repeal of unnecessary laws that impede entry into certain occupations and discourage small-scale entrepreneurship. So salutary is this agenda that Bolick "would

FOCUSED IMAGES

be willing to leave intact the current regime of racial preferences in a straight-up exchange for school choice and economic liberty, for...empowerment of low-income people would render 'affirmative action' redundant and obsolete."

One can support Bolick's "empowerment agenda" without sharing his Panglossian view of its probable impact. By all means, let us have more economic liberty, but let us also acknowledge that the degree of economic liberty we already have is sufficient to permit countless aspiring entrepreneurs to realize their dreams; indeed, such people are drawn to the United States from all over the world for this very reason. That the condition of the black underclass—the group Bolick wants to empower—can be blamed on more than lack of entrepreneurial freedom should be painfully obvious. And it should be just as clear that an incremental increase in the extent of economic liberty will not cause those problems to disappear.

School choice is an appealing strategy because it promises to produce citizens with the skills and values necessary to take advantage of economic opportunities that already exist. But there is no guarantee that it will improve race relations. Indeed, proponents of school choice for inner-city blacks may be surprised at the number of black parents who would opt for explicitly Afrocentric schools that preach black nationalism.

It is a measure of how far we have come that the call for colorblind justice must now be sugarcoated with promises of "empowerment." This kind of talk implies that ending racial preferences is insufficient as an end in itself. It is not.

It is a measure of how far we have come that the call for colorblind justice must be sugarcoated with promises of "empowerment." The most compelling objection to this kind of talk is that it implies that ending the regnant system of racial preferences is insufficient as an end in itself. It is not. As Eastland reminds us, "the choice for colorblindness is the choice our best tradition invites us to make." Let us accept the invitation without reservations, and without qualifications. ®

Robert R. Detlefsen (rdetle00@counsel.com) is the author of Civil Rights Under Reagan *(ICS Press).*

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Fear of Letting Go

By Rick Henderson

In Defense of Government: The Fall and Rise of Public Trust, by Jacob Weisberg, New York: Scribner, 208 pages, $22.00

Jacob Weisberg: He asserts that effective but limited government will cause people to eventually yearn for new spending, higher taxes, and more intrusive regulations.

DEBORAH NEEDLEMAN

"OUR GOVERNMENT HAS SERIOUS flaws. It is overdrawn and overextended. It lacks accountability and flexibility. Its purposes have become muddied and often lost. The antigovernment movement we are now living through has been abetted by real failures." Did this appear in an editorial from *The Weekly Standard*? Or a speech by Newt Gingrich? No, it's in the preface to Jacob Weisberg's *In Defense of Government*.

The *New York* contributing editor and former *New Republic* senior editor has written a lucid and insightful analysis of the American political scene. Unlike other self-described Progressive authors of recent books such as E.J. Dionne Jr. (*They Only Look Dead*) and James Carville (*We're Right, They're Wrong*), Weisberg appreciates diverse political traditions and truly understands why many Americans distrust elected officials and government institutions. He also makes a compelling case that the combatants inside both political parties are incapable of relieving our widely felt political funk. Yet while Weisberg tantalizes the reader, promising new insights that could make political institutions leaner, more effective, and worthy of broad public support, he proves better at describing problems than prescribing remedies.

REASON readers will be quite familiar with the litany of problems Weisberg cites—sclerotic bureaucracies that stifle individual initiative, programs that transfer wealth from the needy to the well-heeled, elected officials who promise more than any reasonable person expects they could deliver. And he rarely sugarcoats his descriptions of corrupt or unwise government programs, regardless of their noble goals. "The fall of public trust" Weisberg mentions in the book's subtitle is best demonstrated with polling data he cites. For a half century pollsters have asked people how often they trust the federal government to do the right thing. In 1964, 76 percent said "most of the time" or "always." Three decades later that number had fallen to 14 percent. Last year the number rebounded to 18 percent, but that's still a far cry from the widespread optimism people had about the federal government 20 years ago.

Weisberg is concerned about the public's disdain for governmental institutions —indeed, it's the reason he wrote the book. His goal is to explain how activist government lost its luster and how it can be rejuvenated. "Government is us, collectively," he writes. "If government in this country acts the part of the oppressor or the tyrant, it is we who are oppressing ourselves. Government's flaws are our flaws, writ large, its failures our failures. But the successes of government are ours too."

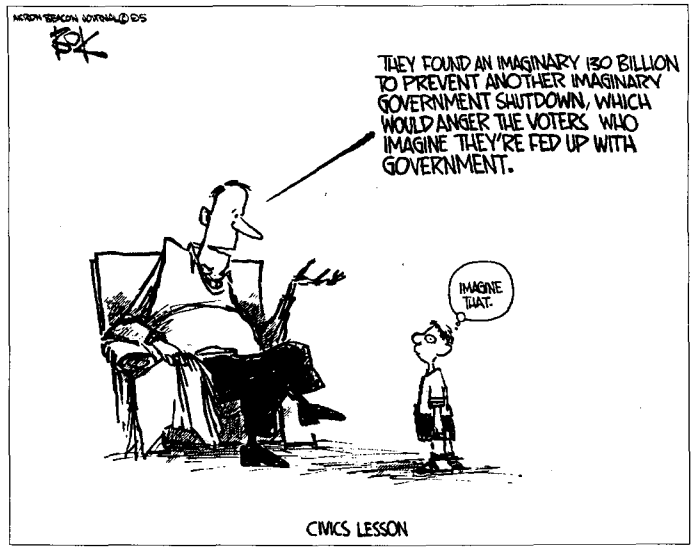
Unlike Dionne, Carville, and other left-liberal commentators, Weisberg does not assume that his readers should automatically agree with him. What sets *In Defense of Government* apart is Weisberg's willingness to offer a clear-headed assessment of the strengths and weaknesses of his ideological friends and foes.

BECAUSE WEISBERG'S BOOK FOCUSES ON the Republicans, and his response to them, he doesn't have much to say to his Democrat allies, at least those who have been politically active over the past couple of decades. He's not even as charitable as Dionne, who at least gives contemporary liberals credit for being well-intentioned. Instead, Weisberg criticizes New Democrats and their obsession with "reinventing government" for "leapfrog[ging] issues of what government should do in favor of figuring out how government can do everything it does now more efficiently." He also blames New Deal–defending "paleoliberals" for possessing "degrees of unenlightenment, ranging from those who deny that Democrats have a problem, political or substantive, to those who admit one but propose inadequate remedies."

Weisberg spends more time analyzing Republicans than eulogizing Democrats. And he initially offers some cogent explanations of the GOP coalition's strengths and the factors that could cause it to eventually crack up. He notes, for instance, that Republican critics of the welfare state (Newt Gingrich especially) have focused their rhetorical venom on the Great Society programs initiated in the 1960s, offering little criticism of the New Deal. Attacking the New Deal would require assaults on FDR, whose organizational abilities Gingrich praises and whose leadership skills Gingrich may in fact envy. Yet the Great Society was merely a more organized extension of New Deal programs begun by Roosevelt.

Republicans also tend to overlook the fact that Richard Nixon extended the reach of the Great Society. Nixon, Weisberg notes, "advanced far more expansive social policies than any Democrat would dare suggest today, including the most lib-

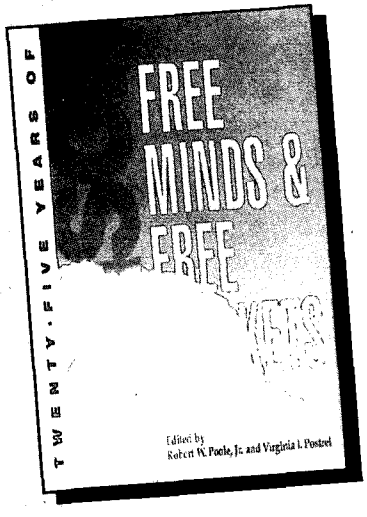
eral welfare scheme ever proposed by a president, the guaranteed income. Nixon also argued for a system of national health insurance, based upon an employer mandate, and can claim credit for initiating affirmative action....The ultimate gambit of Nixon the domestic liberal was his scheme to tame inflation through wage and price controls."


THEY FOUND AN IMAGINARY 130 BILLION TO PREVENT ANOTHER IMAGINARY GOVERNMENT SHUTDOWN, WHICH WOULD ANGER THE VOTERS WHO IMAGINE THEY'RE FED UP WITH GOVERNMENT.
IMAGINE THAT.
CIVICS LESSON

WEISBERG ACKNOWLEDGES that, unlike Nixon (or Ronald Reagan, who was either unwilling or unable to propose serious reductions in federal authority), prominent members of the Republican majority in the 104th Congress intend to cut back government. But the zeal for downsizing isn't shared by all Republicans. Weisberg makes a useful, mostly accurate division between three GOP factions: closet libertarians, pseudo-libertarians, and authoritarians.

Weisberg says the closet libertarians (who include House Majority Leader Dick Armey, House Budget Committee Chairman John Kasich, and California Rep. Chris Cox) "really mean to shrink the government despite the political costs of doing so." He admires their ideological clarity but not much else. "They are inspired by books, but to call them intellectuals suggests a degree of openmindedness they do not possess....Libertarians often come across with a directness that their rivals lack. Ask most politicians, from Gingrich to Clinton, what the role of the federal government is and you'll get a stream of mush. Poke a libertarian and you'll get a clear response."

These politicians must keep their ideological lanterns under a bushel, says Weisberg, because "most Republican libertarians were not inspired by [classical liber-



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CHIP BOK

als Adam Smith, Thomas Jefferson, Alexis de Tocqueville, and F. A. Hayek] but by the author of *The Fountainhead* and *Atlas Shrugged*"—an assertion he never substantiates and one that, even if true, say, a decade ago, seems less credible now. "Ayn Rand's philosophy of 'objectivism,' hyperindividualism tinged with Nietzschean power worship, attracts a number of bookish adolescents after they tire of Hermann Hesse. To call yourself a libertarian thus implies that you were a bright teenager but that you suffer from a stunted intellectual development." This comment says more about the genus of libertarian who may have made Weisberg's acquaintance (or perhaps about the teenaged Weisberg's own reading habits?) than it does about the soundness of classical-liberal principles. It's also not clear why a person's views, inspiration, or lack of philosophical nuance as an adolescent suggests anything at all about the validity of the same person's political philosophy and positions as an adult.

Even though these pathetic geeks have to keep their policy prescriptions to themselves, says Weisberg, there's enough substance to the limited-government agenda that ambitious but cynical politicians (like Reagan, in Weisberg's view) can spout libertarian rhetoric while never intending to carry it through. Enter the pseudolibertarians, who "emit a constant chirp about shrinking government; making it cheaper, less powerful; chopping it up and sending it to the states....Instead of not being able to say what they clandestinely want to do," the pseudos "are uninterested in doing what they say."

THE PSEUDOLIBERTARIANS, IN WEISBERG'S lexicon, include two subcategories: radicals (Gingrich, Trent Lott, Dan Quayle) and moderates (Bob Dole, Lamar Alexander, Christie Whitman). The radicals, who sound like libertarians, are raging hypocrites who "take more readily to such moralistic ideas as conditioning welfare on marital status or to putting churches in charge of it than to sweeping libertarian proposals like eliminating welfare altogether." They make ferocious assaults on the intrusiveness of the federal government and then vote to ban smut on the Internet or create a sweeping new category of federal crimes as a means of countering "terrorism."

The moderates, by contrast, are the heirs of the Rockefeller Republicans, says Weisberg, a group that "consists largely of people who had little problem with big government until the day before yesterday." Moderate pseudolibertarians flee "such designations [as liberal or moderate] in an age when the only good Republican is a conservative Republican." They stomach (and occasionally parrot) anti-government rhetoric because, if they didn't, party leaders might kick them out.

Weisberg's purpose is to defend government. That's where he runs into trouble. He confesses the failure of government programs to solve social ills, from welfare policy to the drug war. It may be impossible to craft neat and tidy solutions for these problems, he admits. But it's the obligation of a liberal society to try.

Then there are the authoritarians, "true conservatives who have no natural inclination to bother about the size of government." For Pat Buchanan, Ralph Reed, and Bill Bennett, "Washington is irredeemably liberal, and preempts the assertion of moral authority at a lower level." Authoritarians can actually bond with libertarians in such areas as restoring welfare, education, and crime control as state and local responsibilities. But the groups have different reasons for disempowering Washington. "For most Republicans, devolution means less government. To authoritarians, however, it really does mean handing power to the states."

Even though Weisberg cleverly skewers the political class, his purpose, as the title says, is to defend government. And that's where Weisberg runs into trouble. He confesses the failure of government programs to solve social ills, from welfare policy to the drug war. It may be impossible to craft neat and tidy solutions for these problems, he admits. But it's the obligation of a liberal society to try. "The libertarian throws up his hands at the interplay of social evils and imperfect solutions, and says it's no concern of the state's," he writes. "But the liberal answers that government not only has the potential to better society, it has a moral obligation to do so."

AS E. J. DIONNE DID IN *THEY ONLY LOOK Dead*, Weisberg looks to the early–20th-century Progressives for inspiration. (See "Middle Management," May.) Yet unlike Dionne, who seems to celebrate the statist inclinations of Progressive central planners, Weisberg considers them reluctant power mongers. "Progressives did not advocate unbridled growth in government," he says. Instead, Progressives had to embrace central power because their times demanded "a government that could cage the new beast [of concentrated corporate power] and protect citizens from its ravages." And even though governmental institutions have failed, the "confident nationalism and assertive moralism that characterized the [Progressive] movement at its apogee [contains] attitudes we need to recapture.

"Liberals lost the support of the nation not because of their ideals," argues Weisberg, "but as a result of the flawed way they put them into practice." To regain the public's trust, he says, today's Progressives have to advocate a pragmatic, limited government, guided by what he refers to as "five habits of highly effective liberals": Accept risk, and steer away from policy prescriptions that treat adults as children, or as helpless victims of their environment. Stop overpromising and offer programs that try to alleviate social ills rather than "solving" them. Sunset federal

programs frequently, because a "set expiration date fosters a mission mentality [on an agency] rather than a bureaucratic one." Stop pushing massive new laws that leave most of the regulatory decision-making in the hands of executive branch bureaucrats. And place a limit—as a percentage of national income—on the ability of federal, state, and local governments to tax and spend.

If you're wondering why Weisberg, who's no fan of libertarians, would advocate an agenda more radical than Dick Armey's, remember the author's goal: legitimating government activism. In his view, Progressives must relimit government to its most basic functions of defending the lives and property of all Americans. After accomplishing that, activists can once again ratchet state power upward a little bit at a time.

YOU DON'T HAVE TO BE A HAYEKIAN TO recognize a problem with this approach. If a half-dozen cabinet agencies and their functions disappeared, if Social Security went private, if the responsibility for welfare programs shifted from government bureaucracies to charitable institutions, it's not clear that the typical voter would want a new spate of federal bureaus to spring up in their place. If your intention is burning the village to save it, sensible people might ask two questions: 1) Why not leave the village alone? 2) If we must burn down the village, why build a new, identical one on the same site?

In Defense of Government is astonishingly analogous to *Dead Right*, David Frum's important 1994 book on American conservatism. Frum took conservatives to task for embracing statism, arguing that during the 1980s conservative Republicans made a conscious decision to ignore the rapidly expanding federal government. The GOP recognized that average people like getting goodies from Uncle Sam, so any elected official who promised to end the gravy train would be unceremoniously removed from office come election day. But, argued Frum, the welfare state and the entitlement mentality were destroying such bourgeois virtues

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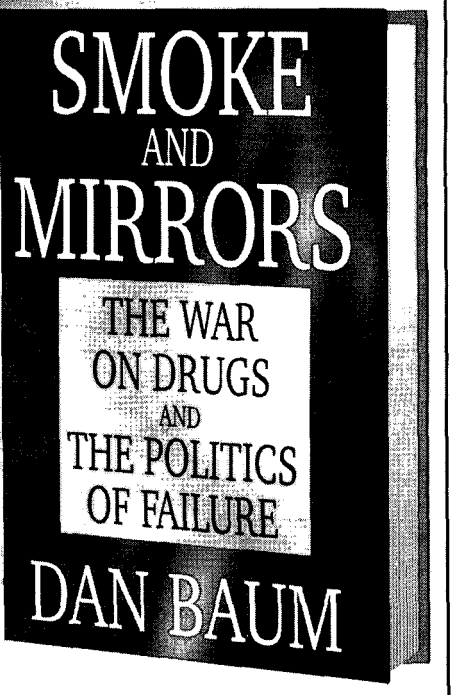

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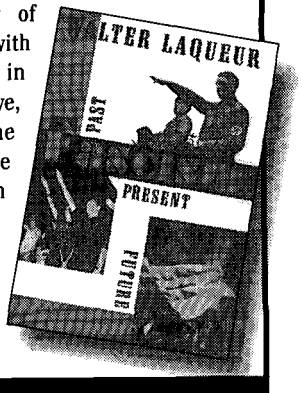

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as thrift, prudence, and risk taking; unless conservatives were willing to renounce statism, the fabric of American society could be ripped beyond repair. To restore civil society, Frum believed, conservatives might have to embrace a form of limited-government libertarianism, because only by smashing the New Deal–Great Society bureaucracies could a new, conservative order emerge.

Weisberg offers a mirror image of Frum's thesis, asserting that effective but limited government will cause people to eventually yearn for new spending, higher taxes, and more intrusive regulations. Frum argued that libertarian means could achieve conservative ends; Weisberg says that embracing libertarian methods will result in support for new Progressive programs.

WHAT'S GOING ON? WEISBERG ALMOST lets the cat out of the bag: "While they can talk in general terms about less intrusion and about scaling back specific programs, libertarians cannot present their full vision of the good society. They are to be pitied, perhaps, for never being able to explain what they believe." We libertarians in fact are often only too happy to share our beliefs, which quite simply, favor increasing human happiness by expanding individual liberty. We're also honest enough to recognize that a free society is more like a kaleidoscope than a photograph; it constantly changes in unpredictable ways. Weisberg demands that libertarians explain their world to such an extent that we could predict the per capita income of Newark 10 years after the arrival of "the good society." For us, even making such a request is silly.

Weisberg and Frum belong to the intellectual and policy environment that dominates the Boston-to-Washington corridor, an atmosphere that seems incapable of tolerating, much less comprehending, the messy, dynamic world in which we live. This intellectual universe routinely excludes those aspects of social activity that are not tied to the political process, such as entrepreneurship, commerce, music, literature, relationships, sports, spirituality—in other words, the most important parts of most of our lives. It's little wonder many people who are outside that universe think that those within speak a foreign language.

Until the best and brightest of the political class (and Weisberg is an excellent writer and thinker) break out of their conceptual box, they will continue to talk past the rest of us. What a shame. ®

Rick Henderson (DCReason@aol.com) is Washington editor of REASON.

Dumb and Dumber

By John J. Pitney Jr.

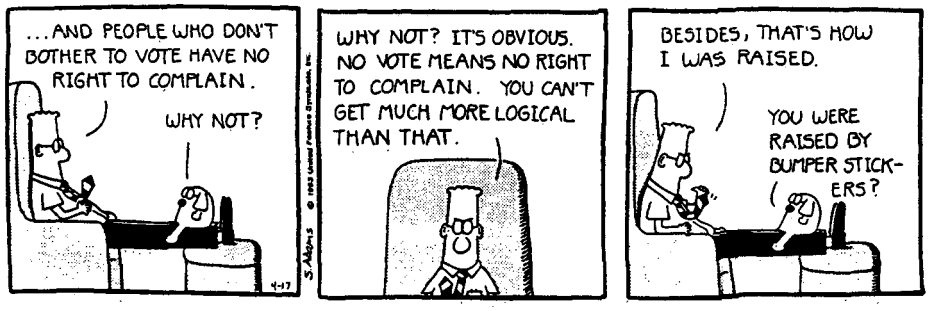
Politics for Dummies, by Ann DeLaney, Foster City, Calif.: IDG Books, 368 pages, $19.99

THE LEADING PHILOSOPHER OF OUR time—Jerry Seinfeld—says that buying books makes you humble, "because to walk into a bookstore, you have to admit there's something you don't know." Accordingly, IDG Books has named a line of reference books "...for Dummies." Most of these volumes, such as *Windows 95 for Dummies*, aim at readers who actually have plenty of smarts but need some guidance about a specific technical subject. A new entry in this line, *Politics for Dummies*, tries to do for political participation what the other books have done for computing and business. It includes 26 short-attention-span chapters on topics ranging from campaign finance to national party conventions. With a lively format featuring checklists, sidebars, and cartoons, the book presents bits of useful material in a readable manner. Especially worthwhile is an appendix that explains each state's procedures for voter registration.

Alas, author Ann DeLaney takes the title too seriously. Much of *Politics for Dummies* really does assume that its readers are...well, if you can't tell where this sentence is heading, stop here, because this book is for you.

For the rest of us, *Politics for Dummies* is a like a long day with a grade-school teacher who has little confidence in the pupils. Such a teacher doesn't trust the kids with the straight facts but instead gives them the version that is "good for them." In reading this book, I kept thinking of my seventh-grade nun, locally famous for her unique take on reality. Warning the class about physical vanity, she told of a woman who perished after dyeing her hair too many times: "And when they did the autopsy, they found that her brain had turned purple!" Even at age 12, we didn't believe these stories. Instead of improving our character, they turned us into little cynics.

DeLaney tries to get us to the polls by insisting that every vote counts and is equally important. This sentiment sounds uplifting, but it's about as credible as the parable of the purple brain. Notwithstanding the old anecdotes about close elections, a single vote is probably not going to change any outcomes in an electorate of 104 million people. In many cases, politicians have further diluted individual voting power through district lines that guarantee victory to a party or ethnic group. In California's 37th congressional district, for instance, the 6-to-1 Democratic registration edge means that any single Democratic vote is redundant and any Republican vote is irrelevant. This is the stupid-politician trick called gerrymandering, a term that even dummies have heard. *Politics for Dummies* fails to mention it, however, which is odd in light of the author's background as a congressional candidate in Indiana, site of some classic districting ploys.


...AND PEOPLE WHO DON'T BOTHER TO VOTE HAVE NO RIGHT TO COMPLAIN.
WHY NOT?
WHY NOT? IT'S OBVIOUS. NO VOTE MEANS NO RIGHT TO COMPLAIN. YOU CAN'T GET MUCH MORE LOGICAL THAN THAT.
BESIDES, THAT'S HOW I WAS RAISED.
YOU WERE RAISED BY BUMPER STICKERS?

Not content with praising the act of voting, DeLaney speaks of nonvoting the same way my nun spoke of hair-dyeing. If you don't register to vote, she says, your opinion can never show in public opinion surveys, because pollsters only speak to people on the rolls. She errs: Although some polls screen for registration, particularly at election time, many others do not. She goes on to say that, "politically, if you neither register nor intend to vote, you don't exist. You are a nonperson!" She exaggerates: Although politicians may well pay less attention to abstainers, many figures in American history have made their mark outside the electoral process. As a convicted felon, Malcolm X could not vote, but he got his point across through demonstrations and other forms of direct action.

You can just see the author standing over her readers, ruler in hand, ready to whack them on the knuckles if they don't reach for a ballot. "You *must* vote. If you don't vote, you have no right to complain about politics, politicians, or government" (emphasis in the original). No right? I guess I overlooked that clause the last time I read the First Amendment. (By the way, this primer on American politics neglects to include a copy of the Constitution.)

THERE IS A COMPELLING CASE FOR VOTing, one grounded in the concept of civic obligation. The book would have been far better if DeLaney had developed that line of argument; however, she never lets careful analysis interfere with a cliché.

And boy, does this book have clichés coming out of its ears! (Intentional irony, folks.):

- "You can't avoid [politics], no matter how far you try to bury your head in the sand."
- "Remember, though, that nothing in this life is certain but death and taxes."
- "The name of the game is teamwork."
- No political handler "can make a silk purse out of a sow's ear."

Clichés can be tolerable as long as they make sense, but the book embraces some adages that are wildly misleading. Consider this one: "You can't beat somebody with nobody." Recently, a veteran party operative told me that he was tired of hearing that line: "It's silly. We've beaten lots of somebodies with nobodies." He pointed to the 1994 elections, where major political figures such as Speaker Tom Foley, Sen. Jim Sasser, and Gov. Mario Cuomo lost to worthy but obscure challengers. DeLaney makes the cliché even dumber when she rewords it: "A somebody candidate, no matter how unpopular, beats a nobody candidate every time." Former Congressman Dan Rostenkowski might want to correct her on that point. He has the time.

The 1994 elections also undercut another of the book's favorite saws: "All politics is local." For 40 years, Democrats had controlled the House of Representatives by concentrating on constituency service and local issues. Newt Gingrich and the Republicans broke that pattern by drawing sharp partisan distinctions and recasting the midterm elections as a choice between two national parties. Failing to recognize any contradiction, DeLaney herself mentions the importance of the 1994 elections as "a wave of voter reaction."

The book contains other contradic-

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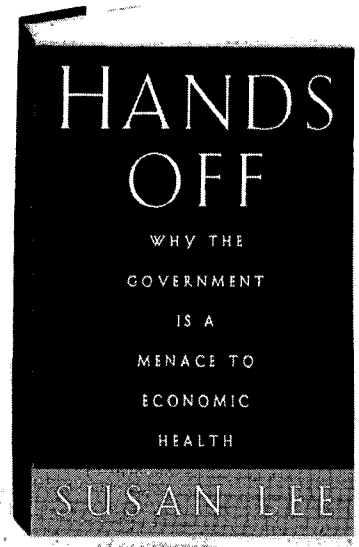

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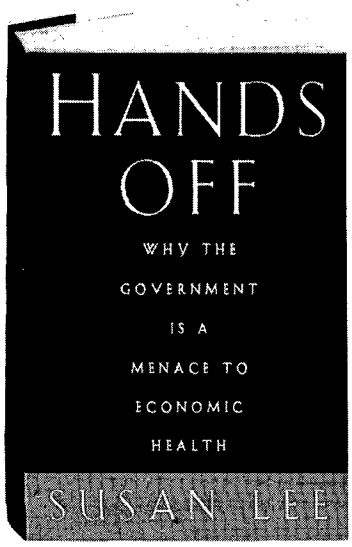

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tions. After her stern lectures about the absolute political impotence of nonvoters, DeLaney encourages teenagers to get involved in campaigns: "If you're willing to work hard, you can make a difference before you're old enough to cast your first ballot." In her list of "Ten Common Political Mistakes," number four is "promising not to run for reelection" while number seven is "not knowing when to retire."

At some points, the book lapses into downright incoherence. "In government, as opposed to politics, the spokesperson is the elected official or a third-party group. The recent national debate over health care provides a perfect example of this model. The Republican Party opposed President Clinton's proposal, but it was the financial interests—the insurance industry, the nursing home industry, and the hospital association—that attacked the proposal openly." Elected officials never speak for themselves during campaigns? Republicans never openly attacked the health proposal? What planet is she talking about?

DeLaney likes government, and she encourages people to think of how they can benefit from it. She personifies the "good government" types who take the leviathan state for granted and seek to confine political debate to the splitting of the loot.

FLOATING IN THE MUDDLE ARE FAINT HINTS of an ideological agenda. DeLaney likes government, and she encourages people to think of how they can benefit from it. In advising her readers how to take sides on an issue, she says that they should ask two questions: "Does this issue matter to me at all?" and "Will the issue have any impact on me?" The "me" emphasis, of course, is an invitation to pork-barreling and deficit-mongering. DeLaney personifies the "good government" types who take the leviathan state for granted and seek to confine political debate to the splitting of the loot.

DeLaney does show a concern for costs, but in peculiar places. A sidebar on "The Ridiculous Cost of Campaigns" cites a U.S. Senate race in California as a horror story of extravagance. But DeLaney forgets that more than 7 million people voted in that election. Communicating with so many voters is inherently expensive, especially because California television stations give candidates few opportunities for free exposure.

More to the point, however, the Citizens' Research Foundation reports that the total cost of all federal, state, and local campaigns during the last presidential election cycle amounted to $3.2 billion. In the same two-year period, the total cost of federal, state, and local governments came to $3.9 *trillion*. In other words, government spending was more than a thousand times greater than election spending—yet to DeLaney high-priced campaigns are the problem. If she had been at Chernobyl, she probably would have complained about the lead-based paint on the reactor core.

Politics for Dummies is a good idea for a book. Politicians have made the system more complex than it needs to be, in part because mystification allows them to escape accountability. A simple, clear-minded, shrewd guide would help people see through the mummery and start to regain control of the government. *Politics for Dummies* is not that book. After I put it down, I thought not only of my seventh-grade nun but also of Jack Nicholson. At the climax of *A Few Good Men*, he sums up this book's implicit motto: "You can't handle the truth!" ®

John J. Pitney Jr. (jpitney@mckenna.edu) is an associate professor of government at Claremont McKenna College in Claremont, California.

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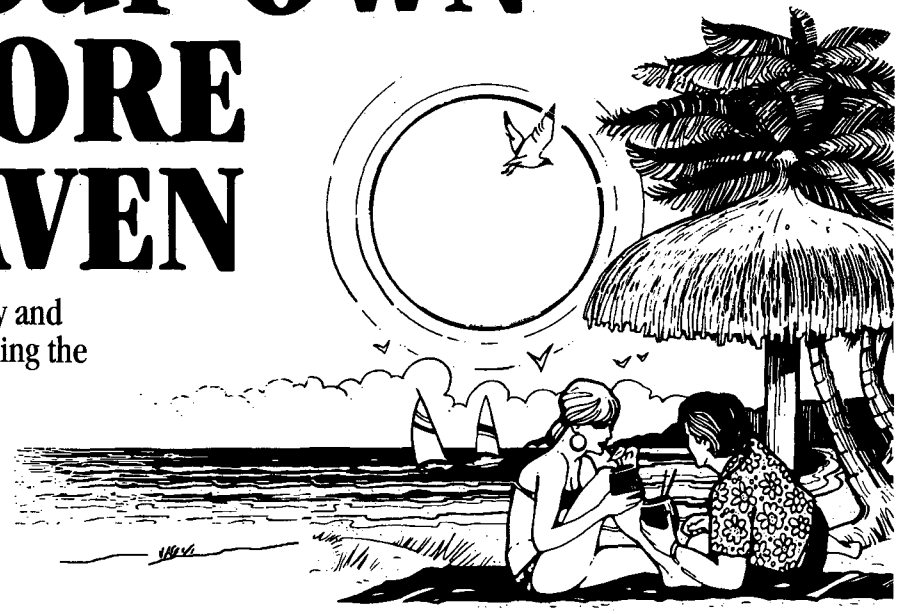

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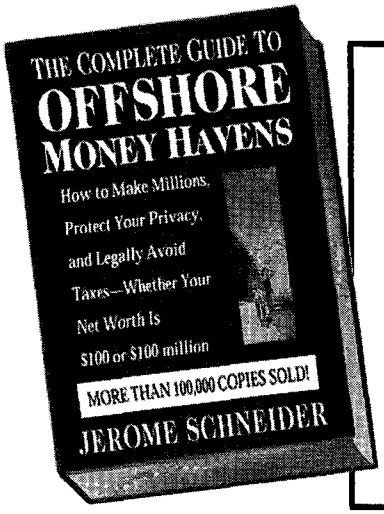
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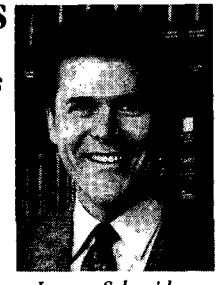

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Reason

For Better or Worse

By Thomas W. Hazlett

Gay marriage is better.

ONE OF THE DELIGHTFUL ASPECTS of my year in Washington, D.C., is that a large number of African males stand ready to accost me virtually the instant I leave my apartment building. While this might send a shiver through those ensconced in protected Caucasian enclaves, I am happy to hail their arrival, hop into their taxicabs, and tool off to the destination of my choosing.

And one more thing: I ask them about women and marriage. I've been fascinated by this topic since a few years ago, when a 42-year-old Ethiopian cabbie in Houston told me he had sent away for a 25-year-old bride. The cheerful fellow had enlisted some friends in his "dating" search, and had given them specific instructions as to exactly what he was looking for in a wife.

"Number one," he told me, "I told them to send me traditional woman—not like American." I roared with laughter, and immediately inquired as to his friends' telephone number. Now I frequently ask African men, and Ethiopians always, about this state of affairs.

The men I speak to love America (hey, they came a long way to get here), and respect American women enormously. They admire the U.S. woman's ambition, style, smarts, and panache.

But don't expect the Africans to tie the knot with a Yank. "When you speak to an Ethiopian woman," one fellow told me, "she will listen." That was his answer to my question as to why he wouldn't consider marrying an American. Another told me that Ethiopian girls go to classes to prepare for marriage. "To learn cooking and sewing?" I inquired. He replied: "No. Those are other classes. These are just to train for being a good wife." I still wasn't getting it, and he became rather exasperated: "It's like in a ship—there can be only one captain!" Gotcha.

I joke with these folks about the differences between American society and the cultures they grew up in. When they drop me off at my apartment building, I sometimes mention that Betty Friedan lives there. That rarely rings a bell, but when I say, "She's the one who started feminism," they reliably cringe. We share a chuckle.

We may kid around about the superiority of the patrimonial way of life, but alas—the modern world is winning. Even if I should fall off my medication, I am not about to "send away" for the traditional woman. And the sons of our fine African immigrants will soon shock their fathers by selecting homegrown wives. In a decade, they'll be helping with the dishes; a generation from now they'll be figuring out how to pay for their spouse's MBA.

I THINK ABOUT THE AFRICAN VS. AMERICAN culture clash when I hear the conservative buzz over same-sex marriages. The rap is that extending the matrimonial franchise to homosexuals will cheapen the sanctity of the heterosexual bond. Opening up the marriage contract to rival forms of social organization will dilute the honor and threaten the institution itself, say conservatives—especially in an era when the family unit is already struggling against an impressive array of forces.

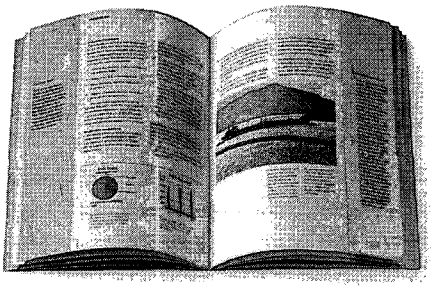
This is the lamest sort of moralizing I have yet to encounter outside of a Robert Reich press conference on how the administration is going to ferret out and reward "good" corporations. In fact, if conservatives really wanted to discourage homosexuality, they should make marriage *mandatory*. Since many anti-gay types believe that homosexuals are latent heterosexuals who simply seek to avoid commitment, forcing them to deal with the "m" word would just call their bluff.

As for morality, why is it the state's business how two people conduct their affair? The state establishes a formula for legal commitment; presumably, consenting adults fill in the blanks.

The institution of marriage is a public good. As H.L. Mencken pointed out, monogamy kills passion—which is dangerously antisocial—and so preserves civil society. But boring, established, long-term relationships would serve the tranquilizing social function for homosexuals as much as for anyone else. Why can't the religious right see that some of the most harmful excesses of the "gay lifestyle"—you know, the "disgusting" practices that I read about in graphic detail whenever my name is rented to a Falwellian fundraiser—may flow from the lack of such calming institutions?

It is no doubt correct that the family unit in Western society is experiencing trauma, and that the trouble emanates from the challenges of modernity: more cash, more choices, more years of life. In the West, wives talk, work, and generally operate like their husbands' equals. Looked at from one perspective, that devalues the traditional arrangement when men were men and women were obedient. From another, though, it's just the march of progress. The freedom that was born with enlightenment and empowered by capitalism has rendered the old-fashioned contract obsolete. Gay marriage is but one more stage of the evolving family structure, and not so very large a leap, at that. I mean, once women started talking back, the rest has been baby steps.

Contributing Editor Thomas W. Hazlett (hazlett@primal.ucdavis.edu) teaches economics at the University of California at Davis, and is a visiting scholar at the American Enterprise Institute.



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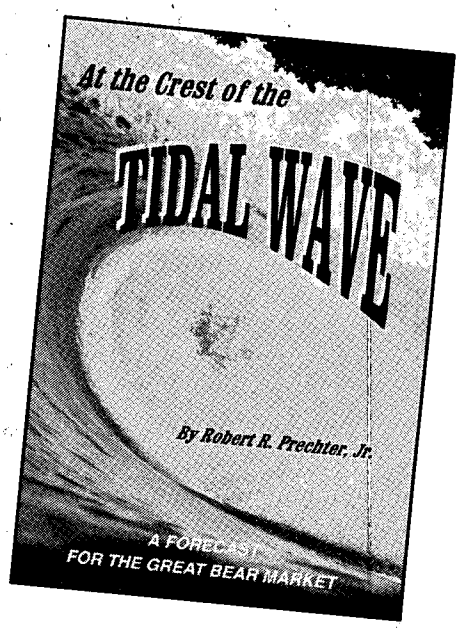

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